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USA: ECONOMICS, POLITICS, IDEOLOGY

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## UNITED STATES AND NATO AT THE END OF THE SEVENTIES

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 79  
pp 3-13

[Article by V. S. Shein]

[Text] The North Atlantic Treaty Organization (NATO), the establishment of which was initiated by the United States in April 1949, has now been in existence for more than 3 decades--that is, for virtually the entire post-war period. This is not a short period of time. Much has changed in Europe and in the international arena as a whole in these years. In particular, there is a different political climate in the world. As a result of the purposeful efforts of the Soviet Union and other states of the socialist community, which have proved the futility of Imperialist politics "from a position of strength," a process of international detente has begun and its chief guidelines have been defined. This process, playing an exceptionally important role in the life of mankind, is promoting broader peaceful and mutually advantageous cooperation between various countries and the demolition of many of the barriers that sprang up during the years of the cold war to block the development of contacts between states in the east and west. An active search is going on for solutions to problems connected with the need to stop the dangerous arms race and reduce weapon stockpiles.

Under these conditions, NATO appears to be a historical anachronism. Conceived of, from the very beginning, as an aggressive military and political alliance against the USSR and the nations of people's democracy, the NATO bloc has remained such for all of the last 30 years. It is still this kind of alliance even today. But the situation in the Imperialist camp itself now appears to be different. Whereas the United States' hegemony in the so-called Atlantic world was once unconditional, this is no longer the case. The stronger rivalry between the United States and Western Europe, the intensification of old conflicts and disagreements and the appearance of new ones attest to the development of centrifugal tendencies in the relations between the United States and Western Europe, which has become an independent "center of power" in the capitalist system.

The governments of the capitalist countries are trying to smooth out these conflicts. The U.S. Government has been most active. There is good reason

for Washington's special concern for the bloc: It is precisely its Western European members that are regarded--in the spirit of "trilateral strategy"--as the United States' leading partner in the world arena and the factor on which the realization of many key aspects of this strategy and interests of U.S. ruling circles will depend.

The exceptional, "vital" significance of Western Europe for the United States in recent years has been repeatedly pointed out by President J. Carter and other leading figures in the current administration. If we look, for example, at the report of Secretary of Defense H. Brown on the U.S. defense budget for fiscal year 1980, we see that it stresses that Western Europe's "vital importance" for Washington is due to its considerable population, armed forces, GNP and several other factors.<sup>1</sup>

At the same time, U.S. leaders constantly mention the presence of serious internal problems in Western Europe, which are weakening, according to American ruling circles, its ties with the United States and undermining the role of the Western European allies in implementing the common Atlantic strategy. These problems include the increasing influence of communist parties and other leftist forces, inflation, unemployment, Greek-Turkish disagreements and so forth.

Now that U.S. economic, political and even ideological positions in relation to Western Europe have become much weaker, particularly as a result of the development of Western European integration, and now that American hegemony in the Atlantic world has been actually undermined, NATO, which, with the exception of ANZUS, is the only one of the multilateral military blocs created under Washington's aegis after World War II that is still "among the living," has also turned out to be the only instrument for imposing Washington's will on the states of Western Europe. As for the North Atlantic alliance itself, here U.S. hegemony has been preserved by virtue of the overwhelming superiority of U.S. military potential. Even here, however, Washington's leadership is being undermined more and more, because Western Europe is giving more thought than ever before to its own urgent problems rather than to ways of staying on good terms with America.

It was in this state that the North Atlantic Treaty Organization celebrated its 30th anniversary. Its newly revealed weaknesses, stemming from the nature of American-Western European relations, kept the member nations from commemorating this "anniversary" in the same splendid way as the last "round figure" was commemorated 5 years ago. Nonetheless, solemn speeches and vows of loyalty to the bloc were pronounced, although with varying degrees of enthusiasm. The loudest statements, naturally, came from Washington, which reaffirmed the current administration's plan to strengthen NATO.

The increasing political and economic "autonomy" of the Western European states and the simultaneous continued reduction of U.S. opportunities to personally influence the development of the international state of affairs were the reason for Washington's selfish attempt to put new mechanisms in

action to aid, on the one hand, in stopping the erosion of U.S. leading positions in the Atlantic world and, on the other, in making active use of the increasingly strong bloc partners in relations with the socialist and developing countries.

For the past 2 or 3 years, the U.S. Administration and the heads of NATO have concentrated on exaggerating the myth of the notorious "Soviet military threat" to the West more and more and, speculating on this, have insisted on the compilation of various short-term and long-term programs, particularly for the augmentation and reinforcement of the bloc's military potential.

As L. I. Brezhnev, general secretary of the CPSU Central Committee and chairman of the Presidium of the USSR Supreme Soviet, announced, "fabrications about the Warsaw Pact states' allegedly threatening military superiority to the NATO bloc in Europe and about some kind of aggressive intentions in Europe, ascribed to the Soviet Union...are nothing but nonsense. But this is not harmless nonsense; it is harmful because it serves as justification and camouflage for the actions of the truly dangerous and potential aggressors: for escalating the arms race to a new level, for building up armed forces and for filling the international atmosphere with the poisonous fumes of fear, suspicion and hostility."

This line was most clearly demonstrated at the NATO Council session held in the U.S. capital at the end of May 1978. One of the main points on the session agenda was the adoption of a long-term military program for the North Atlantic alliance, drawn up at the initiative and under the supervision of the United States. By a decision of the NATO country leaders who met in Washington, a new round of intensive military preparations began, planned for 15 years in advance. In accordance with this, around 100 new subprograms, calculated to increase the military capability of NATO, will be set in motion in the next 10 years. The members of the bloc will be required to spend an additional 80 billion dollars.<sup>2</sup> "These decisions," the declaration of the Warsaw Pact states, adopted at a meeting of the Political Consultative Committee in Moscow on 23 November 1978, emphasizes, "which will escalate the arms race, just as other NATO actions, are in the nature of military demonstrations and are aimed at the achievement of military superiority over the socialist and other countries for the NATO countries so that the latter will be able to dictate their wishes to independent states and suppress the popular struggle for national and social liberation."<sup>3</sup>

#### The Program for Intensive Military Preparation

The Carter Administration began to lead the buildup of NATO military potential soon after it occupied the White House. In May 1977, Washington, whose policy in the bloc centered around promotion of the arms race, put forth a series of initiatives envisaging a larger share by member countries, particularly the large Western European powers, in collective NATO efforts, and encouraging them to engage in broader cooperation in the sphere of military production and the elaboration and implementation of a common

military policy. According to U.S. leaders, the implementation of their proposals would not only strengthen the military potential of the North Atlantic alliance but would also consolidate this group, which is now experiencing serious difficulties, around the state with the greatest military strength and, consequently, would increase American influence in Western Europe. At that time, Washington was able to convince its allies to adopt a joint decision concerning an annual defense budget increase of 3 percent in real terms; this decision was reaffirmed at the spring and winter sessions of the NATO Council in 1978.

In his report on the defense program and defense budget of the United States for the current fiscal year, the Pentagon chief defined the immediate objectives of the North Atlantic alliance in the following way: improved "forward defense" and fire power, the counteraction of "threats" to NATO's flanks, the protection of sea lanes between America and Western Europe, etc.<sup>4</sup> Within the framework of Washington's program of short-range improvements, the allies were requested to heighten the combat readiness of their troops, work out more effective mobilization methods, improve combat and reserve training and build up an arsenal of antitank devices.

The implementation of measures in accordance with the short-range program was accompanied by active preparation for the abovementioned long-range NATO military program, which included the 10 following fields: the modernization of nuclear tactical forces; the heightened combat readiness of formations and units; the heightened readiness of reserve troops; acceleration of the delivery of strategic reserves from the United States and Canada to Europe in periods of crisis; the reinforcement of NATO naval forces; qualitative improvements in air defense systems; improvement in the system of unit control and communications; the quicker incorporation of means of radioelectronic warfare; the broader standardization of weapons; the augmentation of material stocks and their distribution in the more probable areas of hostilities.<sup>5</sup> Steps were taken to determine the "sequence of objectives" and to work out group-financed joint projects. Special task forces were made responsible for the thorough investigation of various aspects of the program. According to the Pentagon, the implementation of the long-range military program, symbolizing the United States' "new course" in the North Atlantic alliance, will create tremendous opportunities for increasing NATO's military potential and will permit the more effective unification of national efforts.

In an attempt to urge its allies to build up military preparations, Washington has pointed to its own position on questions of military construction in NATO as an example. In the defense budget for the 1979 fiscal year, publicized as the "NATO budget," the United States placed much more emphasis on strengthening the military machine of the bloc by increasing Pentagon allocations by approximately 2 percent over the last year's figure, and NATO allocations by more than 4.5 percent.

In recent years, the American military presence in Western Europe has been augmented by more than 34,000 troops. The fire power of the European group



of U.S. ground forces was "increased" by means of the considerable augmentation of the potential of antitank weapons as a result of the deployment of the Tow, Dragon and Cobra/Tow systems. By the end of the 1979 fiscal year, plans called for the deployment of additional forces on the European continent, equivalent to three artillery batteries, and the improvement of the striking force of each subunit, particularly through the modernization of equipment and the use of new electronic devices.<sup>6</sup> The fire power of the American Air Force in Western Europe is also increasing, partly as a result of the deployment of the latest A-10 and F-15 aircraft here.

Besides this, the United States plans to deploy additional quantities of improved missiles on the territory of its NATO allies. As General A. Haig, retired supreme commander of NATO armed forces in Europe, admitted in one interview, several potential systems for the reinforcement of the bloc are now being investigated. "They include," he said, "land-, air- and sea-based winged missiles, perfected 'Pershing' missiles and, possibly, a medium-range ballistic missile system."<sup>7</sup> According to the New York Times, Washington "is persistently urging the allied governments in Europe to agree this year to the planned deployment of a new middle-range missile, capable of delivering a strike in the Soviet Union."<sup>8</sup> But the Western European governments are still taking an extremely cautious approach to U.S. proposals.

Washington has not forgotten its plans to deploy a neutron bomb on Western European territory either. By 1982, the United States intends to situate heavy equipment in advance in various locations in Central Europe for three additional American divisions which will quickly be transferred there from the United States in the event of a crisis. By this same time, according to Secretary of Defense H. Brown, the United States hopes to reinforce ground troops deployed in Europe with five divisions within 10 days after the appropriate decision is made.

The United States also plans to transfer part of its troops to Western Europe so that its positions there will correspond more to the idea of action on "advance frontiers." One brigade from the American 2d Armored Tank Division has already been moved to the northern border of the FRG.

Therefore, Washington is concentrating much more on the Western European element of its foreign policy. The United States' share in various NATO activities is systematically increasing. In return, however, the Carter Administration is demanding equivalent efforts from Western Europe. As American leaders have stated, U.S. efforts will mean little if they are not accompanied by the buildup of the non-nuclear potential of other NATO allies. Washington's tactic in this area consists, in particular, in not only achieving an immediate increase in defense spending, but also involving the allies in programs calculated for many years in advance and increasing the dimensions of their future involvement in the arms race.

#### The Struggle for Defense Orders

Although the Western European NATO countries approved U.S. proposals set forth at the Washington session of this block and support the course of



achieving western 'military superiority,' they have not been guided in all cases by interests they hold in common with the United States.

When the propagandistic publicity given to the long-range NATO military program imposed by Washington had died down somewhat, increasingly clear signs were seen that the adoption of this program would not only fail to eliminate friction between the United States and Western Europe but, on the contrary, would intensify this friction. The Western press began to refer to the "new tension" in the North Atlantic alliance. One of the reasons for this tension was the need to allocate additional funds for the arms race at a time of serious social and economic difficulties in the capitalist part of Europe.

Western Europe informed Washington that in return for its support of U.S. proposals, it wished to play a more prominent role in making major decisions in the bloc's administrative agencies and to receive a large portion of the orders for military equipment stipulated in the long-range NATO program. According to the English GUARDIAN, "West Germany and other Western European countries are less eager than before to accept the United States' dominant role in inter-Atlantic policy-making.... They are now more and more likely ...to oppose American initiatives in questions of defense and in other areas."<sup>9</sup>

The dissatisfaction of the United States' allies made itself most apparent in connection with Washington's policy in the sphere of weapons manufacture, which has actually been monopolized by the United States. The widespread use of American military equipment in Western Europe is not being accompanied by a reciprocal process: The American market has turned out to be actually closed to weapons manufactured by the NATO allies. Between 1966 and 1975 the United States delivered weapons worth 8.4 billion dollars to its Western European partners. Western Europe, however, was only able to sell the United States 745 million dollars' worth of weapons in the same space of time.<sup>10</sup>

This is one of the main reasons for the dissatisfaction of the United States' "junior partners," who are also being crowded out of armament markets in other parts of the world by the Americans, in spite of the administration's declared intention to limit the sale of military equipment to the developing states.

Washington is striving to neutralize the dissatisfaction of its allies and simultaneously reinforce NATO military potential by naming the standardization of weapons and military equipment as one of the key objectives of the North Atlantic bloc. In contrast to the previous approach to this matter (virtually all of the postwar U.S. administrations have been unsuccessful in their attempts to achieve standardization), the focus is now on the particular aspects of standardization that might appeal to Western Europe.

Although America's allies agreed in general with Washington's standardization proposals, they did this in the hope that this would solve several of their own problems. They intend to act on an individual and collective basis in

an attempt to preserve their own defense production base and research and engineering base and to increase the competitive potential of their defense industry, or at least to load it with NATO orders, which is arousing the suspicions of the American military-industrial complex. In view of these circumstances, the standardization of weapons "is still," as the NEW YORK TIMES pointed out, "the main problem and source of friction in the alliance."<sup>11</sup>

After the adoption of the long-range NATO military program, the promotion of which was accompanied by the voicing of numerous promises by the Carter Administration, the weapons market in the United States did not become more "permeable" for Western European firms. In connection with this, the western press noted the "irritation and anxiety" of the United States' allies over Washington's "weak cooperation" in joint weapons manufacture programs.

The state of affairs in this field has been reflected most strongly in the dissatisfaction of the FRG. One of the most prominent West German monopolies of recent years has been the Messerschmitt-Belkov-Bloehm (MBB) group--the main producer of military aircraft and missiles in West Germany. According to the American press, the backbone of West German aviation is MBB-produced, which could turn out to be a decisive step toward the expansion of Western Europe's aviation industry and its transformation into a strong competitor for American aircraft corporations.

Washington, in turn, is still zealously defending the interests of the U.S. military-industrial complex. For example, the air warning and air control system was forced on its allies, and the development of a standardized NATO tank based on the latest West German Leopard model was actually curtailed (to date, agreements have only been reached on a standard 120-millimeter gun for an FRG-produced tank, and on the XM-1 tank of the Chrysler Corporation).

It is obvious that the Western European military-industrial monopolies have no intention of giving up their piece of the "military pie," which presupposes the further exacerbation of inter-imperialist conflicts within the framework of the North Atlantic bloc over the implementation of its long-range military program.

#### Crisis on the Southern Flank

Washington also outlined a "new course" in regard to NATO's southern flank for the purpose of patching up the "gaping hole" which resulted, as NEWSWEEK magazine put it, from the conflict between Greece and Turkey,<sup>12</sup> and simultaneously preventing a further increase in the influence of certain political forces which, in Washington's opinion, could weaken the ties connecting southern European states with the United States and the North Atlantic bloc. Washington officially announced the revision of American policy in regard to Greece, Turkey and Cyprus and its course of action in connection with problems in the East Mediterranean, which, in the words of representatives of the administration, are most urgent.

Leftist forces, particularly communists, are regarded as one of the sources of danger for the military and strategic positions of the United States and NATO as a whole, as was pointed out above. The American President and his closest associates have quite pointedly objected to participation by the communist parties of the Southern European countries in agencies of executive authority.

Washington's worries about retaining U.S. positions in the south of Europe activated its practical policy in this region. This is attested to by such facts as the intensive promotion of talks on Greece's return to the NATO military organization, from which it withdrew in 1974, attempts to improve relations with Turkey, the proposal of new separate plans for the "settlement" of the Cyprus problem and efforts to involve Spain in NATO.

The socialist states oppose the arms race and the rattling of sabers in the Mediterranean and advocate the extension of political and military detente to this region. The attempts of imperialist circles to accuse the Warsaw Pact countries of "belligerence" are motivated by a desire to camouflage their own goals, which are in fact a real source of danger for the Southern European and other Mediterranean countries.

The American approach to Greece provides quite convincing evidence of this. Through the efforts of the present U.S. leadership, an American-Greek agreement on bases was initialed in August 1977. This agreement was drawn up under the Ford Administration and stipulated the preservation of virtually all of the United States' main support points on Greek territory, although it also imposed some restrictions on the use of these bases, as well as on the activities of American military personnel. In exchange, Athens was promised, "in accordance with the goals of the North Atlantic alliance," military aid totaling 700 million dollars over a period of 4 years. In its persistent attempts to accomplish Greece's return to the NATO military organization, Washington is being guided, naturally, not by considerations of Greek security, but by the desire, as General A. Haig put it, to retain the West's "historically determined supremacy" in the Mediterranean.

While U.S. ruling circles have been exerting increasing pressure on Greece and attempting to secure a settlement of the Cyprus question within the NATO framework (the Western press has reported, in particular, the transfer of reconnaissance equipment from U.S. facilities in Iran to Cyprus), they have attached particular significance in recent years to the restoration of American-Turkish ties to their previous status. The Carter Administration made a great effort to cancel the congressional ban on shipments of American weapons to Turkey (as a result of which Ankara closed American bases in Turkey in 1975) by constantly emphasizing the "uniqueness" of its functions in the North Atlantic alliance, stemming from the geographical position of this country. This not only referred to Turkey's direct proximity to the USSR, which has always been one of the chief reasons for the attention given to Turkey by the United States and NATO, but also its role as the "northern guard of the Middle East and Africa."

In this way, plans were made to abuse allied relations with Ankara, force it to play up to Israel and actually set it up in opposition to the Arab countries contrary to Turkey's own national interests and its position on the Middle Eastern issue. The U.S. Administration and the NATO military leaders tried to force this country to take on the functions of a protector of the interests of American oil monopolies. This became particularly clear during the last days of the shah's regime, when Turkey became the object of intensive "wooing" by Washington because the liquidation of U.S. bases in Iran heightened the significance of similar bases on Turkish territory. When the embargo on sales of weapons to Ankara was lifted, although this was not even an unconditional repeal of the ban, Washington was able to gain Turkey's consent to the resumption of activity on some American bases. The conclusion of a new American-Turkish military treaty began to be negotiated in January 1979.

It seemed that the United States had recovered its influence in Turkey and guaranteed the more or less smooth development of bilateral relations. Some Western mass news agencies, referring to this fact, as well as the resumption of activity by military facilities in Greece which accompanied the activation of talks on Greece's return to the NATO military organization, concluded that Washington had reinforced the southern flank of the bloc and improved the atmosphere of partnership with countries in this region. Portugal's more active participation in NATO is also included among Washington's successes.

It would seem, however, that it is still too early to speak of the restoration of U.S. and NATO positions in Southern Europe since considerable conflicts still exist between the United States and the Southern European states belonging to NATO.

For example, although the Greek Government is interacting more extensively with NATO and the United States, it is doing this in the absence of widespread internal support for this course, guided exclusively by the desire to reinforce its own position with respect to Turkey. In connection with this, American policy toward Ankara is regarded as something contrary to Greek national interests. The lifting of the embargo on sales of American weapons to Turkey and the commencement of American-Turkish negotiations on a new military treaty were the cause of a dramatic surge of anti-American feeling in Greek society, including its ruling circles. It was no coincidence that the expediency of maintaining U.S. military bases on Greek territory began to be pointedly questioned once again.

Many of the difficulties in the United States' relations with its Southern European allies arise in connection with Washington's continuous intervention in the domestic affairs of its "junior partners." In recent years, this intervention has been aimed primarily at the suppression of democratic tendencies in Southern Europe. It has taken the form of intimidation of these governments with the threat of their expulsion from NATO, support for various right-wing and "moderate" parties and organizations and attempts to discredit the communists. There have been cases of U.S. intervention in election campaigns.



In an attempt to neutralize anti-American feeling in Southern Europe and to achieve the consolidation of NATO, U.S. ruling circles and some of their allies decided at the December session of the NATO Council in 1978 to make broader use of economic means of pressure; this meant an immediate increase in financial aid to several NATO countries for an obvious political purpose: to keep their ties with the block from growing weak. The first candidates for these financial injections were Turkey, Portugal and Greece. As for Turkey, this question was also discussed at a meeting of the "big four" on Guadalupe in January 1979, where the heads of the United States, FRG, France and Great Britain agreed to hold a special conference to draw up an economic aid program for Turkey.

It should be stressed, however, that although the receipt of loans from the United States and other Western countries and the increased flow of foreign capital investments are broadening a system of definite economic dependence on the United States and other NATO powers, these loans are not resulting in any fundamental improvement in the socioeconomic situation of the recipient states. In Southern Europe, this situation is still extremely tense and threatens a new upsurge of the same processes which led to the crisis on NATO's southern flank.

Washington regards the development of "cooperation" between the North Atlantic alliance and Spain as one of the ways of reinforcing NATO's southern positions. The United States has long advocated Spain's membership in NATO in the belief, as President J. Carter declared in an interview printed in the Portuguese newspaper TEMPO in November 1978, that "this measure would strengthen the bloc." The withdrawal of American nuclear submarines from the naval base in Rota, which was stipulated in the U.S.-Spanish agreement "on friendship and cooperation" and was begun in January 1979, has stimulated Washington's attempts to achieve direct participation by Spain in NATO.

In an attempt to make full use of the advantages of Spain's strategic position, U.S. and NATO leaders are exerting crude pressure on Madrid and are advising it to "not procrastinate" in deciding to join the North Atlantic bloc. As Spanish Senator Jose Luis San Pedro said in the "Open Letter to Senator Byrd" (American Senate majority leader), "this kind of stubborn persistence in attempts to involve us in NATO is more than enough reason to suspect that membership in this alliance (particularly as a 'full member'-- that is, with all of the ensuing obligations) will be more advantageous to the United States and its allies than to Spain." Senator San Pedro reminded Byrd why Spain is being "sought" by NATO: because of its soldiers and the possibility of using its territory for bases and armament depots.

This prospect has evoked protests from broad segments of the Spanish public, who are aware of all the danger involved in membership in the North Atlantic alliance. Besides this, the Spanish public naturally realizes that attachment to NATO will deprive the country of the foreign policy advantages it gained as a result of international detente and the establishment of relations with the socialist countries.

## NATO's African Adventure

The leading countries of the bloc, most of which were once colonial powers (and some of which still own colonial possessions today), are making persistent efforts to strengthen their position in the developing countries. Their influence here was radically undermined by the successes of the national liberation movement. The strategic goal of international imperialism, especially American imperialism, is guaranteed control over these countries, particularly in Africa with its natural, economic and human resources, and the possibility of continued exploitation of these resources. It was precisely the United States which "became the chief source of inspiration for the new brand of colonialism in Africa--a policy of armed intervention and open interference in the affairs of the African states and the suppression of national liberation movements."<sup>14</sup>

In the process of implementing its African policy, Washington has relied on the support of some other NATO countries. The fact is that Western European capitalism is now facing an acute crisis in connection with the diminished possibilities of acquiring oil and various types of raw materials from the developing states on the traditional terms that have been exceptionally profitable for Western Europe. This is one of the reasons for the exceedingly serious worries, if not panic, of ruling circles in Western Europe and their desire to strengthen their own positions in these particular regions of the world, both through individual and through collective actions.

In an attempt to make full use of the existing situation in its own interest, Washington is striving to Atlanticize the neocolonial course in Africa, expand NATO's sphere of activity and turn the bloc into an instrument of neocolonialism with clearly defined anti-African aims. Washington is trying to convince the Western European countries that the members of NATO, as Z. Brzezinski put it, "will have to pay more and more attention to events taking place outside the sphere of this organization's action. For example, the crises in the Middle East, in the Persian Gulf region, near the Horn of Africa and in southern Africa can reflect on the vital interests of our countries."<sup>15</sup>

The NATO bloc, some members of which have already been sending their ships south of the Tropic of Cancer for a long time, is not only keeping an eye on the situation in Africa and planning intervention in this region for the purpose of preventing the development of processes disadvantageous to the West, but is also directly involved in this kind of intervention. This approach became particularly apparent in connection with the events in Zaire in 1978 and 1979, when armed intervention by NATO actually took place, although some of the nations involved were not members of the bloc.

The discussion of the "African question" at the Washington session of the NATO Council did not lead to any specific decisions because conference participants were unable to agree on the methods of intervention in the affairs of African states. Soon afterwards, however, a special conference on Africa



was convened in Paris in June 1978 at France's suggestion. It was attended by top-level representatives of France itself, as well as the United States, Great Britain, the FRG and Belgium.

The debates at this conference revealed the same conflicts between participants as the discussion at the Washington session of the NATO Council. The specific character of the views expressed by the bloc partners consisted, in particular, in the fact that, although they are extremely interested in the "pro-Western stabilization" of the situation in Africa, they would also like to avoid personal direct involvement in any new military actions, since, as the events in Zaire proved, this is now too risky. Moreover, Canada, which was invited to take part in the conference, categorically refused to send a representative, declaring that it had no intention of "getting involved in this African adventure." The United States' attempts to convince the participants in the Paris conference to take practical steps to "institutionalize" the so-called "inter-African armed forces," were not supported by any of the participants with the exception of France. "Some people are terribly upset over Africa," announced British Prime Minister J. Callaghan. "It appears that several new-found Columbuses are prepared to set sail from the United States to rediscover Africa.... I would only like to say that Africa has existed for a long time and that it has many problems which did not suddenly come into being yesterday and are not the result of Soviet influence."<sup>16</sup> The representative of the FRG took a dual stand, announcing that he believed that the "need for some kind of action" might arise with respect to the African countries, but he made it clear that his government prefers 'economic means of influence,' even though it does not exclude the possibility of "other methods."

As for Belgium, its approach testifies that Brussels is afraid that extensive "Atlantic" intervention might threaten its own "sphere of influence" in Africa.

All of this indicates that the difficulties which arose when the NATO members were trying to elaborate a common policy on the "African question" reflect not only the desire of some to avoid, if possible, direct military involvement in situations that might lead to serious complications, but also the increasingly important role of the factor of inter-imperialist rivalry on the African continent.

Does this mean that the United States and NATO as a whole have renounced their attempts to "institutionalize" their intervention in African affairs? Not in the least. Reports in the press have already noted that the question of a common policy in relations with Africa is still on the NATO agenda.

Therefore, it is clear that U.S. ruling circles, disturbed by the development of centrifugal tendencies in the North Atlantic bloc, are obviously trying to find a way out of the current situation with the aid of a more rigid stand on various aspects of NATO activity. These attempts, as we can see, are bringing about definite results. Under pressure by Washington,

NATO military policy is becoming increasingly aggressive. The myth of the "Soviet threat" is once again being blown out of all proportion. Beijing is being eagerly linked up with this course for its "services" in anti-Soviet activity and the subversion of detente.

It appears that certain extremely influential circles in the United States would be happy to "bury" detente altogether in the hope of taking advantage of the subsequent unavoidable dramatic deterioration of world affairs for the purpose of strengthening their own influence in Western Europe and in NATO and returning to the days when Washington dominated the sphere of American-West European relations. This course would be an extremely dangerous one for the cause of peace and detente and, moreover, it is hardly realistic under present conditions. After all, Washington cannot disregard such strong tendencies in the allied countries as, for example, the determination of France (which could not, after all, be "driven back" into the NATO military organization), above all, and the FRG to conduct a more independent policy and to attach particular significance to deeper and broader economic and political cooperation with the Soviet Union and other socialist countries. It must also be said that this tendency, despite all of the rabid opposition to it in recent years, is still gaining strength in the United States as well.

Nonetheless, the course adopted by the NATO bloc, on Washington's instructions, toward more active military preparation and the extension of this bloc's "umbrella" to new regions, not to mention the very fact of NATO's existence, is impeding and will continue to impede efforts to deepen detente and curb the arms race. Over the long range, this course is not only likely to endanger the cause of peace and international cooperation, but to also threaten its initiators and executors with new economic upheavals.

#### FOOTNOTES

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3. PRAVDA, 24 November 1978.
4. "Department of Defense Annual Report, FY 1979," Washington, 1978, p 237.
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## CRISIS OF TWO-PARTY SYSTEM AND THE 1980 ELECTIONS

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[Article by V. S. Zorin and V. P. Savchenko]

[Text] Each significant step taken by Washington politicians in the last months of 1979 will be more and more carefully judged in terms of its possible impact on the campaign for the coming presidential election. Virtually no action now taken in Washington, whether in the foreign political arena or in the sphere of domestic policy, can be correctly assessed without consideration for the "adjustment coefficient" standing for the coming election.

The far-off reverberations of coming campaign skirmishes are heard much earlier now than before. The leaders of both main bourgeois parties in the United States now begin assessing all of their actions in terms of the impact they will have on the election race practically 2 years before the next presidential election. This state of affairs has been the target of increasing criticism on the part of many American politicians and influential representatives of political science. They assert that the election campaigns, which are threatening to become permanent, are keeping the leaders of the administration, who are striving to prolong their mandate, as well as other political leaders, who have their own ambitious plans, from searching for solutions to important problems that are based on the essence of these problems rather than on political considerations.

In connection with this, proposals are even made from time to time--and they have been made repeatedly by politicians and by expert theoreticians on government affairs--to change the frequency of presidential elections, holding them, for example, once every 6 years instead of once every 4. But the matter has gone no further than discussion. The political practice of Washington is such that the interests of upcoming election campaigns have the most significant impact on the activities of the administration, the political parties and their leaders.

This is the situation at present. Although it will be a long time until the next election, in November 1980, it can be said that the campaign has already begun.

The American press is not only weighing the relative chances of possible contenders for the highest public office in the nation, but is also carefully examining the political positions of the Democratic and Republican parties, analyzing the present problems of the two-party system, searching for ways of solving them, and investigating the possibility of considerable shifts within the two-party system and the probability of the appearance of "independent" candidates and new party groups on the national scene.

The political maneuvers and heated debates connected with the issues of the 1980 election are multifaceted and are going on at various levels. In this article, we will discuss some of the issues connected with the functioning of the two-party political system, since these problems will apparently play an important role in the near future and will have a considerable effect on the outcome of the political battles. This topic is made all the more interesting and timely by the fact that the present state and the current difficulties of the American monopolies' two-party political machine will go far beyond the bounds of the current election campaign and represent one of the most urgent and pressing problems now troubling political leaders.

For several years now, the term "crisis in the two-party system" has been used in books and articles by American politicians and political scientists. Much has been said and written about this crisis, although the system is still functioning quite effectively, meeting the needs of the ruling class. Influential representatives of this class have not displayed any clear intention of rejecting the system. The persons who use the term "crisis" do not generally mean that the system has exhausted its possibilities and is expected to collapse at any moment, but they do mean that there are obvious difficulties which are indisputably having an effect on the course of the political process in the United States.

In their interpretations of the problems connected with the crisis in the two-party system, the overwhelming majority of American bourgeois political experts are not concerned with finding alternatives to this system, but with a search for ways of overcoming current problems for the purpose of preserving and strengthening the system. In the view of those who are disturbed by current difficulties, the situation does not call for rejection of the "two-party pendulum," which has meticulously served the interests of the American ruling class for most of the time the American Government has been in existence, but for the introduction of certain modifications with a view to overcoming the particular difficulties that are seen as critical and threatening symptoms of undesirable change.

What is alarming the supporters of the two-party system and what problems is the system encountering at present?



They include, in the first place, the now permanent deep rifts between different factions of the Democratic and Republican parties which have threatened to split the parties during almost every campaign of the last 20 years. Secondly, the two-party system has been threatened more and more frequently in recent years by the possible entry of third and fourth parties into the American political arena. Although the plans to form these parties have never been carried out as yet, the very threat of a split in the Republican and Democratic parties is a real factor of political life; it is having a considerable impact on the activities of party leaders, the course of political campaigns and the compilation of platforms, forcing party leaders to appease those who threaten a split and to conduct political maneuvers to preserve at least the semblance of party unity.

Another symptom of the crisis in the two-party system is the increasing number of American voters--and on a scale that is disturbing political leaders--who affiliate themselves neither with the Republicans nor with the Democrats. The alarming increase--from campaign to campaign--in the number of voters who do not cast a ballot is also an important symptom of crisis. The difficulties of the two-party system are also connected with the situation in the U.S. Congress, where party affiliation has virtually ceased to unite congressmen. They are not only quite likely to oppose a president from their own party but are also going against the old and carefully guarded tradition of listening to the advice and recommendations of congressional party leaders and committee chairmen.

There are also other obvious signs of this process, attesting to the deterioration of the bonds that have held the American two-party mechanism together for many years. Now that we have listed some of the symptoms of the present crisis in the two-party system, we will briefly discuss them.

"With each year, less people vote in the elections. Since 1960, around 15 million Americans have stopped coming to polling places. Around 10 million have abandoned the two main parties," the INTERNATIONAL HERALD TRIBUNE reported, sounding an alarm.<sup>1</sup> According to official statistics, more than 37 percent of the voting public preferred not to exercise the right to vote in the presidential election of 1972. The figure had already risen to 40.8 percent by 1976.<sup>2</sup>

The number of polling places boycotted during the 1978 election particularly disturbed political circles in Washington. Although, as a rule, mid-term elections bring out less voters than presidential elections, what happened on 7 November 1978 went beyond all permissible bounds, according to campaign organizers. Only 57 million of the 150 million registered voters went to the polls. Therefore, the 96th Congress and the leaders of local government were elected by just over 36 percent of the voters<sup>3</sup>--a figure so low that it has no precedent in all of the postwar history of the United States.

Republican and Democratic leaders are equally disturbed by the increasing number of voters who decline to call themselves supporters of either of the



two main bourgeois parties in the nation. Whereas the maximum number of independent voters, who did not register as supporters of one of these two parties, did not exceed 16 percent of the total voting public before World War II, now "almost a third of American voters call themselves independents and do not vote on the basis of party affiliation, but according to their own ideas about the candidate, his personality and his abilities."<sup>4</sup>

American political scientists who occupy an apologetic position in regard to the two-party system are striving to conceal the crucial nature of this situation by stating that both the failure to vote and the reluctance to register as a supporter of one of the two main parties reflect nothing more than the apolitical attitude of part of the voting public. According to them, a significant percentage of the American population has no interest in politics and, for this reason, neither the Americans' refusal to vote nor their reluctance to call themselves Republicans or Democrats should be interpreted as a form of political protest against the two-party system.

More serious researchers, however, feel it is necessary to draw a distinction between those who actually do not display any interest in politics and the voters who are highly active in politics and whose reasons for boycotting elections or for declining to support one of the two parties have nothing to do with political passivity. American political scientists cannot agree on the relative sizes of the two groups. The most authoritative of them, however, are increasingly likely to admit that most of the people who refuse to support the two main parties or to vote are citizens who have become disillusioned with the two-party system. An analysis of all the latest election campaigns indicates that this view is closest to the truth.

The supporters of the two-party system are also disturbed by centrifugal forces and struggle within the Democratic and Republican parties, which have acquired such great dimensions in recent years that they not only have the most definite effect on the outcome of election campaigns but are also quite substantially paralyzing the actions taken by the leaders of each party on major foreign and domestic policy issues.

Many analysts see a direct connection between President G. Ford's defeat in the 1976 election and the actual split that occurred at that time in the Republican Party. In their opinion, the fact that the official head of the party had great difficulty winning the nomination at the Republican Convention, and was only able to do this after a fierce battle with R. Reagan, the leader of the party's right wing, largely predetermined the outcome of the election. During the first stage of his campaign, Ford was unable to act like a national candidate because he had lost so much strength as a result of the intra-party strife. The President had to give in to the pressure of Reagan and his supporters on many major issues, among which the implementation of the Vladivostok Accord and the timely signing of a SALT-II agreement were of particular significance. The need to keep track of reactions in the Reagan camp, the desire to appease the right wing, the resulting renunciation of principled positions, and the intra-party feud led to a situation in which

Ford was unable to make use of all of the advantages of his position as the incumbent President and lost his office to the Democratic candidate, J. Carter, who was then little known on the national level.

The "Carter phenomenon" was also due largely to fierce intra-party struggle. This man, who had no strong position to speak of in the party structure and who had neither sufficient experience nor nationwide prominence, was able to compete successfully against recognized and experienced party leaders and win the Democratic nomination. The authors of several political studies have suggested that Carter's success in the 1976 election was, to a certain degree, a "Pyrrhic victory" for the Democrats from the standpoint of party unity, since it not only deepened the rift within the party but also created complex problems for the Democratic Party, whose consequences are still not totally apparent and will only manifest themselves in the near future.

In any case, it is indicative that President Carter is still regarded as an interloper by the traditional party leadership and the functionaries of his own party even after two and a half years in the White House. This has resulted in an extraordinary situation, against all Washington traditions, in which the President, in the opinion of influential party figures, is not guaranteed, even though the campaign for the next election has already begun, to be nominated for re-election. The challenge he has received from the leaders of influential groups in the Democratic Party is connected with a number of foreign and domestic policy failures, the consistently unfavorable results of public opinion polls and the consequences of the intra-party struggle and the problems it created in 1976.

The state of affairs in the Republican Party is even more confused and complex. The fact that not one Republican leader is regarded as a favorite during this stage of the beginning campaign, as well as the bitter squabbles in the party top echelon and the existence of several fiercely competitive party factions, indicate that the 1979 Republican model can only be called a single party with extremely broad reservations and provisos. Even if the party leaders will be able, by means of behind-the-scenes maneuvers and bargains, to reach an agreement just before the 1980 election on a leader acceptable to all, the fact that there is a deep rift within the party remains indisputable.

Another indicator of the centrifugal processes taking place in the depths of each of the two main parties of the American bourgeoisie during this stage in their existence is the history of the activities of the 95th Congress and the first steps taken by the 96th, elected in November 1978.

Throughout a large part of the 1970's, the Republican Administration blamed many of the difficulties it encountered in the conduct of domestic and foreign policy on the fact that, although it controlled the executive branch, it had to deal with a Congress in which the majority in both chambers was firmly in the hands of the rival party. In assessing the results of the 1978 election, American political correspondents consider

one of the most important to be a new situation which has arisen: Both the executive and the legislative branches are controlled by the same party, the Democratic Party in this case. The party leaders and, above all, the heads of the administration had far-reaching hopes in connection with this.

It soon became apparent, however, that the difficulties encountered by the Democratic administration in its relations with the Congress were just as great, and sometimes even greater, than before 1976, when the White House had been controlled by the Republicans and the majority in Congress was held by the Democrats. Many senators and members of the House of Representatives did not feel bound by party affiliation and rules, voting against the President--the official head of their own party--on major issues.

It should be noted that this situation has been seen several times in the past as well. In accordance with American political tradition, the legislators of this country are considerably less bound by party rules than, for instance, their English, French or Italian colleagues. The party affiliation of the senator or member of the House of Representatives never did guarantee his automatic support of the head of the party whenever the head occupied the White House.

This commonplace feature interferes in the proper evaluation of recent changes--changes which led up to a situation in which many congressmen who belong to the party in power refuse to support the legislative initiatives of the administration.

To a considerable extent, however, the present situation is qualitatively new. This is no longer a matter of the American tradition by which legislators are independent of their party leaders, but of a virtually new situation, in which the people on Capitol Hill are invariably guided mainly by their own beliefs and convictions rather than by common party interests, the party program or party rules. In reference to the fact that there are now 385 standing committees and subcommittees in the U.S. Congress, one of Carter's assistants, obviously expressing the view of the President and his closest associates, declared in a fit of temper: "It is just like France. Instead of a two-party system we have a 385-party system."<sup>5</sup>

Naturally, his remark about the 385-party system was meant to be witty. There is no question, however, that the representative of the administration had reason to worry. According to U. S. NEWS AND WORLD REPORT, the American legislator is now extremely independent. For him, the main thing is his relationship with the voters, and not with the party leaders; he is besieged more by lobbyists than by the President's assistants.<sup>6</sup>

This statement contains an obvious contradiction. We could hardly call a legislator who is being besieged by lobbyists independent, particularly since, as a multitude of facts have shown, this kind of "siege" is usually far from fruitless. But the statement that the influence of party leaders has diminished considerably in the U.S. Congress reflects the realities of

the day and the new atmosphere on Capitol Hill at the end of the 1970's. It is probable that this has never been so extensive, pronounced and dramatic in the entire postwar history of America. The Carter Administration cannot count on unconditional support from the Democratic Congress, and not only in regard to matters of a specific nature or of secondary importance, but in regard to fundamental aspects of its foreign and domestic program as well.

This situation quite graphically demonstrates the declining strength of intra-party ties, the increasing conventionality of categorizing legislators by means of party affiliation and, in the final analysis, the erosion of the party principle in the daily functioning of the highest agency of the legislative branch, where this principle represented the fullest expression of the American two-party mechanism in the past.

The overwhelming majority of politicians on Capitol Hill are no longer guided in their work by the party program and are even less concerned about party solidarity and order, and base their actions on their own interpretation of issues and on their own personal interests.

We must not underestimate the effect of this state of affairs on Americans who care about politics. After encountering the daily contempt displayed by legislators elected on a particular party ticket for the party goals declared in campaign platforms, the frequent cases of unprincipled bargaining and alliance and the obvious disrespect of legislators for their own party banners, American voters are becoming convinced of not only the meaninglessness of campaign slogans and promises, but also of the illusory party positions of the Democrats and Republicans. And this does nothing to strengthen the political authority of the two bourgeois parties and has become a factor contributing to the mounting crisis in the two-party system.

This situation has been mainly responsible for the birth of a new phenomenon in American political life, which became particularly apparent during the campaign for the 1978 election. It is now being widely discussed in Washington's political chambers and is being examined in American political literature, since it is believed that the situation will be an even more prominent factor in the campaign for the 1980 election than it was in the fall of 1978.

This is the attempt by many candidates who formally operate within the bounds of the two-party system and call themselves either Democrats or Republicans to actually conduct their campaigns as independent candidates. The growing number of independent voters has given rise to a new, extremely indicative phenomenon which might have far-reaching consequences and which can be defined as the appearance of "independent candidates" on the political scene, who are running for election to Congress, gubernatorial posts and positions in local government.



This phenomenon is still quite new in American political life, and it is therefore probably too early to draw conclusions and make final judgments. But this fact is so self-evident and so important and it made itself so apparent during the last election campaign that it simply cannot be ignored now.

It is not that certain contenders for high office decided to set themselves up in opposition to the existing two-party system by representing some kind of "third party" or by formally declaring themselves independent candidates. As a rule, all of the contenders in question called themselves either Democrats or Republicans. However, while they were formally acting within the framework of the existing system, they tried to put forth their own slogans and their own programs without being influenced by the official party platform.

This is neither an overt nor a covert rebellion against the two-party system. It is not a matter of principle or of ideological disagreement with the programs of the Republican and Democratic parties, but a matter of the pragmatism and practicality characteristic of many American politicians. As soon as it becomes apparent that the prestige of parties and party machines is declining and that voters are disillusioned with the endless array of unfulfilled campaign promises, included in party platforms from campaign to campaign, political practicality dictates to the politician that he dissociate himself from party programs and party leaders and concentrate on the particular promises intriguing the voters in his district and on his own image.

As a matter of fact, the present occupant of the White House was one of the first to use this tactic, and quite successfully too, in 1976. Georgetown University Professor J. Kirkpatrick, an American political scientist, notes with complete justification that "the campaign of Carter the candidate was a manifestation of a new tactic, demonstrating that a candidate without the status of a national party leader could pass the nomination test and win without the support of the party leaders."<sup>7</sup>

Two years after the 1976 election, Carter's tactic was put to practical use by many candidates from his own party, but this time they were acting against him and in spite of him. "During the campaign, several Democratic party candidates believed that the current President could be more of a liability than an asset and decided to stay a safe distance away from him."<sup>8</sup>

According to the already quoted J. Kirkpatrick, "American politics are becoming more ideological than institutional. The voters...prefer to choose between the labels 'liberal' and 'conservative.'"<sup>9</sup> "The situation in which a candidate can nominate himself and organize his own campaign--and then win--is becoming a tradition."<sup>10</sup>

As for the talk that American politics are more ideological than institutional, this is apparently more due to a gift for idle scholarly talk than

to an accurate assessment of the existing state of affairs. Pragmatism and the desire to please the voters, and not the intention to carry out some kind of ideology, are the characteristic features of the phenomenon in question. As for the attempts to announce one's own candidacy and campaign on one's own, they would seem to reflect some aspects of American political reality.

If a contender for a seat in Washington, who knows the voters in his district well, arrives at the conclusion that the official premises of the party program and the support of party leaders will not bring him closer to his goal, he tries to avoid the assistance of party leaders, which he regards as political ballast, and in place of the unpopular slogans in which the voters have lost all faith, he proposes his own program, usually calculated to please the population of his own district, and campaigns on this basis. This is how U.S. NEWS AND WORLD REPORT describes the typical candidate in the 1978 campaign, depicting him as a young, or at least energetic, man, usually with experience in local government, more independent in his views and actions and preferring to be guided more by the wishes of his constituency than by traditional party line.<sup>11</sup>

The fact that many candidates from either of the two main parties preferred to conduct their own campaign for the 1978 election has been pointed out by most of the researchers analyzing the results of this campaign. It provided many examples of this kind, proving that this was not a matter of specific or isolated events, but of an increasingly obvious nationwide political trend.

For example, E. King, Democratic candidate for gubernatorial office in the State of Massachusetts, essentially ignored the basic premises of his party's national program during his campaign. He concentrated on the issues which, for one reason or another, were of special interest to the voters in his state. In particular, he insisted on long prison terms for drug addicts and favored the broader application of the death penalty. This program, based on specifically local conditions and feelings, won King many votes from registered Democrats and Republicans, and even independents.

Bill Roy, who was running for the Senate on the Democratic ticket in Kansas, campaigned with a view to the fact that many voters in this agricultural state are dissatisfied with Washington's policy toward farmers, and stressed his lack of agreement with the leaders of his own party. "Kansans," he said at the height of the campaign, "respect the presidency, but I am not certain that Carter's arrival in our state would promote a Democratic victory, since Kansans do not vote for the candidates thrust upon them simply because someone else supports them."<sup>12</sup>

In California, ecology became one of the major campaign issues and was called the "clean air campaign." It was indicative that the California voters responded with greater interest in the fall of 1978 to appeals for a clean environment, including a ban on smoking in public places, than to the



nauseating political babbling of national leaders. The candidates running for office in California who were able to respond correctly to this mood were the winners in the election.

In Florida, many campaign issues were centered around more lenient laws covering gambling in resort areas. This issue, which was not likely to concern voters in most of the rest of the nation, was an item of great topical importance in this state, where the income of residents depends largely on the tourist trade and resort industry.

Candidates for high-level positions preferred not to discuss points in the official programs of their parties, but to win the support of the voters through adaptation to local moods. "The political struggle in the nation is taking on a personal tone, and the persons running for office are actually individuals without any kind of party labels. I feel that this is an extremely dangerous process."<sup>13</sup> This is how the state of affairs was assessed by Chairman W. Brock of the Republican National Committee.

One of the important political tools that has been used more and more frequently by candidates in the campaigns of the 1970's is personal popularity, which is sometimes acquired in a field far removed from politics. For example, John Glenn, who had no experience in politics but was famous throughout the nation as an astronaut, was elected senator from Ohio in 1974.

In the 1978 campaign, B. Bradley, who had also never pursued a career in politics but made up for it by being an extremely popular basketball player on the New York Knicks, won the New Jersey Senate race.

There have been cases in which a candidate has won a high-level position not on the strength of his own fame, but the popularity of someone close to him. For example, in the fall of 1978 John Warner was elected senator from the state of Virginia. According to many political analysts, Warner's victory was guaranteed by the fact that he was accompanied to all campaign gatherings by his wife, the extremely popular Hollywood star Elizabeth Taylor. The American press reported that President Carter's son, 31-year-old Jack Carter, decided to run for congressman from the state of Georgia in the 1980 election. Despite the fact that the younger Carter has absolutely no political experience and has never played any role in the Democratic Party, working exclusively as a grain merchant, he has already begun his campaign, relying mainly on the family name.

The present tendency to spend less campaign time on the discussion of nationwide problems and to focus on personal image is carrying the candidate's desire to please the public at any cost to laughable extremes, often giving the campaign the nature of a stage show. For example, Democrat R. Graham, who ran for governor in Florida in the fall of 1978, decided to convince the voters that he was a "simple country boy" who would not shirk any kind of work. This heir to a multimillion-dollar fortune and Harvard University

graduate dressed himself up in blue jeans and a jacket and took jobs as a stable boy on a farm, a fruit picker on a plantation and a messenger boy in a retail trade firm between appearances at campaign rallies. It is true that it became known that the "stable boy" and "messenger" was able to spend more than a million dollars on his campaign.

Graham's simple disguise, which was intended to influence the most inexperienced and undemanding segment of the voting public, turned out to be a more effective campaign method than the discussion of political problems. In any case, it was noted that the contender for the governorship often forgot to mention his party affiliation in his campaign speeches and avoided the discussion of any problems connected with the activities of the administration of the Democratic Party, which he was representing in the election.

Publicity stunts, escapades in extremely poor taste that are calculated to appeal to the average mind, countless handshakes, kisses lavished on babies and other indispensable attributes of the American election campaign became the favorite target of satirists and lampoonists long ago. But the entire farce also provides food for thought. The fact that this kind of campaign trumpery, which is calculated to appeal to the unpretentious "average" voter, does not only exist to this day but is actually acquiring increasing significance with each campaign, costing tens of millions of dollars and being planned by certified experts in campaign headquarters, is not only connected with certain traditions and the low standards of American campaigns. It is also connected with the candidate's increasing concentration on ways of advertising himself and his human (or, more precisely, average) attributes instead of on political debate and the discussion of party programs or the results of party activity during his term in office.

All of this has been characteristic of many campaigns in the past as well, and it is becoming a tradition. It is not for the sake of tradition, however, that candidates are spending more and more on their campaigns, with the sums running into the millions, sometimes to the detriment of, or even in substitution for, the popularization of the candidates' political views. The fact that the firecrackers, balloons and fireworks that traditionally set the stage for election campaigns have recently often become their entire content and the major campaigning method reflects precisely the phenomenon in question, which has resulted from the devaluation of the ideological and political arsenal of the Democratic and Republican parties.

This "deideologization" of the campaign, the attempt to emphasize the candidate's image instead of the party platform and the intention to advertise him and "sell" him to the voters, in the same way that any other commodity is advertised and sold, are the reasons for another phenomenon in American campaigns--the rise in campaign expenditures. This has acquired such huge dimensions in recent years that the administration and the leaders of both parties were forced by public pressure to set forth several guidelines to regulate these expenditures. Experience has shown, however, that these measures have little effect. One of the reasons for this lies in the phenomenon we have pointed out--the candidate's tendency to shift the emphasis in

the campaign from political debate and the discussion of political programs to self-advertisement. According to American political scientist G. Thayer, "dollars now play the same kind of deciding role in campaigns as in trade and industry. The ability to collect campaign contributions serves as an indicator of how far the individual might advance in politics."<sup>14</sup>

Obviously, all of the phenomena listed above did not come into being today and are not characteristic only of the latest campaigns. The desire to win as many votes as possible at any cost, including the shameless manipulation of popular and fashionable slogans, and the unrestrained self-advertisement on which huge amounts are spent have become traditional in American political life. In recent years, however, all of this has acquired particularly broad scales and these methods have become the main methods of conducting political campaigns. One of the reasons for this can be seen in the difficulties experienced by the two-party system as a result of the declining prestige and authority of the two main bourgeois parties in the eyes of American voters. This also gives rise to such responses as the attempts of candidates to overcome difficulties not on the basis of the party platform or with the aid of the party machine, but sometimes in spite of this machine, by means of various kinds of political tricks to avoid the comparison of party slogans and programs.

We would be guilty of oversimplification if we said that there is a direct, immediate and exclusive connection between such phenomena in American political life as the increasing number of voters calling themselves independents, unaffiliated with the Republican or Democratic parties; the growing practice of conducting local campaigns that are removed to some extent from party programs and the party machine; the growing independence of Republican and Democratic congressmen from party leadership and party solidarity.

The roots of these phenomena are many and varied and have many causes. There is no doubt, however, that each is connected in some way with the difficulties experienced by the two-party system and represents either a programmed or pragmatic reaction to these difficulties. It is impossible to examine these significant phenomena, each of which is having a considerable effect on the political process in the United States, in isolation from one another or from the present crisis in the two-party system.

When we speak of the crisis in the two-party system, we do not mean, we repeat, that this system has exhausted its possibilities under present conditions and is on the verge of collapse. Crises, both economic and political, differ in terms of intensity, in terms of severity and, consequently, in terms of solutions. The American two-party system has experienced several different crises during its 200-year history. The ruling class, however, has an interest in this system and has therefore found ways of correcting its functioning and preserving the system to attain its own objectives.

The difficulties encountered in recent years by the American two-party system have had several causes: Above all, they have reflected the growing

severity of the general crisis of contemporary capitalism. One of the reasons can be seen in the substantial shifts in the social base on which the Democrats and Republicans relied in past decades. The balance of power that took shape in American society in the early 1930's and gave rise to the Roosevelt coalition, which became the basis of the Democratic Party, and the social basis on which the Republicans relied have gone through and are still going through considerable changes.

In the case of the Democratic Party, these have been the process of disintegration in the coalition on which the Democrats relied for 40 years, the profound economic and political changes in the South--a traditional Democratic stronghold, the increasing economic and political influence of the intelligentsia, including the scientific and technical intelligentsia, as a result of the technological revolution, the growing political awareness of the black population and other changes. After addressing themselves to big business for many years, the Republicans must now, in addition to retaining this main basis of support, try to expand their social base by appealing to the middle strata and to the group that was named the "silent majority" during the Nixon years.

The process of adapting the two-party system to these changes will be complex and multifaceted. The outcome of this process will determine whether the existence of this system will be prolonged or it will acquire a different appearance, taking more complex forms.

Within the Democratic and Republican parties, this process is reflected in changes in the traditional factions and the appearance of new political blocs which are more consistent with the present balance of political power. Simultaneous processes are going on outside the traditional party framework, which is the reason for the disintegration of intra-party ties and the desire for greater independence of the party leadership within the party and independent action in the political arena. This will not necessarily lead to the elimination of the two-party system, although this prospect cannot be totally ignored either.

It is completely possible and, what is more, extremely probable that the new processes described here in brief will not result in the replacement of the two-party system with some kind of new system, but will serve as a catalyst, accelerating the process by which this system is adapted to new conditions and the new balance of power.

There is no question, however, that the old political forms no longer correspond to present conditions, and this lies at the basis of the serious difficulties now being experienced by the two-party system in the United States. All of this will indisputably affect the coming presidential election.

#### FOOTNOTES

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2. "Statistical Abstract of the United States," 1978, p 520.
3. U.S. NEWS AND WORLD REPORT, 20 November 1978, pp 20, 23.
4. Ibid., 18 September 1978, pp 38-39, 41.
5. Ibid., 14 August 1978, p 15.
6. Ibid., p 14.
7. J. Kirkpatrick, "Dismantling the Parties. Reflections on Party Reform and Party Decomposition," Wash., 1978, p 2.
8. U.S. NEWS AND WORLD REPORT, 9 October 1978, p 28.
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10. U.S. NEWS AND WORLD REPORT, 18 September 1978, p 55.
11. Ibid., 4 September 1978, p 20.
12. TIME, 30 October 1978, p 37.
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## JONESTOWN TRAGEDY AND AMERICA'S SECTS

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[Article by D. E. Furman]

[Text] On 16 November 1978, California Congressman Leo Ryan arrived in Georgetown, the capital of Guyana. He was accompanied by journalists and several relatives of members of the American Peoples Temple sect, which had set up a communal colony in the jungles, not far from the Venezuelan border. Ryan came to Guyana to investigate rumors that members of this sect were being held against their will in this colony, which was named Jonestown after the founder of the sect, Jim Jones. The next day, the congressman was received in Jonestown by Jones himself, who had made every effort to prevent Ryan from coming and had even sent him a petition, signed by all of the colonists, pleading to be left in peace.

Ryan was quite favorably impressed by the commune: He saw happy people, a nursery, a library, a club and workshops. The visitors were not allowed to stay overnight in the commune, however, and they found a place to stay nearby, in a small settlement next to the airstrip where the plane which had brought them from Georgetown had landed. This spot was connected with the colony by a jungle road, but the mud was so impassable that the road could only be negotiated with the aid of a tractor.

The next day Ryan and his companions returned to Jonestown. This time the atmosphere was different. When one of the newsmen asked Jones about the guns rumored to be kept in Jonestown, Jones almost went into hysterics. It turned out that some of the colonists wished to leave with Ryan, and they expressed this wish in secret, obviously afraid of Jones. One colonist suddenly attacked Ryan with a knife but he was stopped by the men walking with the congressman.

Finally, Ryan's group and the refugees left Jonestown and arrived at the airstrip. Before they had time to board the plane, one of the refugees and some armed colonists who suddenly appeared in the clearing, which they had reached with the aid of a tractor from Jonestown, opened fire. As a result, Ryan, three journalists and one refugee were killed.

But the most horrifying thing came later. When a Guyanese army subunit reached Jonestown, the soldiers found an extinct settlement and a mountain of dead bodies. While the events described above were taking place, 911 residents of Jonestown, including Ryan's murderers who had returned to the settlement, committed suicide by drinking a virulent poison. Some of the survivors later testified that children were given the poison by their mothers and nursery workers. Many bodies lay together, in an embrace--husband, wife and children. Jones shot himself in the forehead.

The Jones sect owned a small building in Georgetown, which served as a hotel or dormitory for new arrivals. On this day, one of Jones' closest assistants was in this building and communicated with him by radio. After the conversation she slashed the throats of her three small children and then her own throat as well.<sup>1</sup>

What happened in Jonestown? What made these people commit mass suicide?

Unfortunately, the current huge flow of information in the press about the previously almost unknown Jones sect, one of the approximately 2,000 (no one knows the exact figure) large and small American sects, still cannot provide a full description of its history, ideology and organization. When the documents kept in Jonestown<sup>2</sup> are published and when journalists and judicial agencies collect the testimony of the survivors and the people who left the sect earlier, the activities of the sect (which was obviously doomed to disappear after Jonestown) will become more comprehensible and many current assumptions may be clarified. Nonetheless, even though it is now impossible to provide a detailed answer to all of these questions, available data can be used to construct a hypothetical explanation of the underlying causes of the tragedy in Guyana.

But first we will discuss sects in general.

The United States is, so to speak, the world's largest "producer" and even "exporter" and "importer" of sects.<sup>3</sup> Suffice it to say that such presently widespread sects as the American Jehovah's Witnesses, Mormons, Seventh Day Adventists and Pentecostals and many sects which originated in the most diverse corners of the world, from Sweden (Swedenborgians) to South Korea (Moonies), headed for the United States and found a comfortable spot there. This has been the case throughout all of America's history.

Researchers of religions have still not worked out a single comprehensive system for classifying religious organizations or universally acceptable terms for defining them, but three basic types of religious organizations are nonetheless described more or less precisely in sociological literature.<sup>4</sup>

The main type, and the most characteristic of American society, is the so-called denomination.<sup>5</sup> These are organizations with an internal structure corresponding to the principles of bourgeois society in the United States (elected authority, majority rule, etc.), which practice religious tolerance and are not dogmatic.

We find a different organizational structure in, for instance, the Catholic and Protestant churches imported into the United States. Their structure took shape under the conditions of the monopolistic authority of these churches in society. These are authoritarian, rigidly hierarchical organizations which can only accept bourgeois democratic values, renounce dogmatic intolerance and acquire the characteristics of a denomination gradually and with difficulty.

Finally, the third type is the sect. Just as the organizations of the second type, the sects lay claims to absolute truth and are intolerant. But whereas the churches in the second category are old organizations, ideologically and organizationally adapted to monopolistic authority, the sects are organizations of recent origin which represent a religious minority opposed to society.<sup>6</sup> We will describe these in greater detail.

First of all, the new sect is the result of preaching by its founder, who implies to sect members that it is to him that the "salutary truth" has first been revealed. As a rule, this belief can only be instilled in others by an individual with tremendous faith in himself and in his exclusivity. This kind of confidence usually stems from mental disorders. Most of the founders of American sects (N. Lee, the founder of the now defunct Shakers; J. Smith, the founder of the Mormon church; E. White, founder of the Seventh Day Adventists, and others) had visions, heard "voices" and, in general, "communicated" in one way or another with the other world.<sup>7</sup>

The sect is based on a passionate and irrational belief in a new and unusual doctrine held in contempt by the majority. Enthusiasm and absolute obedience to the founder are the rule in a sect; there can be none of the usual bureaucratic or elected organizations characteristic of the major American churches in the sects.

In spite of the ideological diversity of the sects, they are always characterized by the following logically interrelated elements.

1. Above all, there is the belief that the era preceding the founding of the sect was a time of confusion and suffering, either as a result of the devil's power, deviations from true Christian doctrine and the related moral degradation of society or as a result (as in the case of the Black Muslims) of white supremacy and the black individual's lack of knowledge about his own great heritage and his destiny.<sup>8</sup> This kind of negative assessment of the past justifies the very appearance of the sect because if the sectarian faith is the greatest truth, this means that the era when this faith did not exist was an era of the greatest delusion.<sup>9</sup> The particular view of the past depends in each specific case on the ideology of the sect.

2. There is the belief that the founder of the sect is a person to whom the absolute truth has been revealed. What is more, this individual can be seen in different ways. According to sect ideology, he could be regarded as a great prophet (J. Smith and E. White), a great thinker (M. Baker Eddy) and even a god (the secret founder of the Black Muslims, Fard, and other founders of Negro ghetto sects), but in any case he is always "great."

3. Every founder passes on some kind of truth to his disciples which guarantees eternal "salvation" to those who believe in it. The sectarian ideology, with its beliefs about the past and future and the personality of the founder, represents this truth. This always includes the prescribed specific actions necessary for "salvation," as well as various prohibitions and taboos (for example, the Seventh Day Adventists are not supposed to work on Saturday, the Black Muslims must take new names, etc.); there are many moral prohibitions and so forth. The possession of the salutary knowledge makes the sect members the sacred, unrecognized but genuine, elite of the world.

4. The present era is always described by the sect as a time of "transition"--a time when the truth has already been revealed but has not yet triumphed, a time of fierce struggle between good and evil, a cosmic conflict with a terrestrial equivalent in the struggle between the sect's members and the rest of the world.

5. Naturally, the sect believes in the inevitable triumph of the truth it has discovered and now embodies. For this reason, every sectarian ideology preaches that the world will soon be radically transformed as a result of the final and cosmic victory of the forces of good. Nonbelievers who do not possess the salutary knowledge will be destroyed (they will either not be resurrected or they will be resurrected but will then be destroyed once more) or will become subordinate to believers, who will become either the only inhabitants or the elite of the new and transformed world.

No matter how fantastic or original the preaching of the founder may be, it always fits into the framework described above. Therefore, the similarity of sect ideologies does not result from the borrowing of common ideas from one another (or from some common source like the New Testament),<sup>10</sup> but is more a result of the typological similarity of the psychological "defense mechanisms" which "work" in similar situations.

Thus, sectarian ideologies are the product of the minds of people who are tormented by dissatisfaction with their lives and their status in the world and see no "normal" way of changing them. This is why the sects are usually organizations of poor people. In the United States, the most favorable medium for the birth of the most exotic sects is the urban black ghetto, where these sects spring up like mushrooms after the rain.<sup>11</sup> The low educational level of the inhabitants of these neighborhoods makes them receptive to the primitive and archaic mythological patterns of the sectarian ideologies.

What kind of psychological needs do the sectarian ideologies satisfy? They turn the oppressed and underprivileged into a "true elite," into possessors of the highest truth, into the "saved," while the ruling elite in society, despised (and simultaneously envied) by the sectarians, is turned into a pseudo-elite. Moreover, the sectarians are convinced that quite soon, after a brief "transition period," the pseudo-elite will die, and they will become the elite--an absolutely tangible and visible, and not just spiritual, elite.



In this way, the sect ideology relieves its members of their "inferiority complex." The sect member who is relieved of his agonizing sense of personal powerlessness and degradation can acquire enough strength to renounce the vices of the urban ghetto (the black ghetto sects often have former dope addicts, prostitutes and criminals among their members) and begin a new and more proper life, and the visible successes in this new life are then interpreted by him as indisputable proof of the truth of the doctrine he has espoused. Finally, in the sect he finds answers to all of the questions that are tormenting him; the view of the world that he is offered is an integral and comprehensible one, containing guiding principles for the most diverse situations and a system of absolute rules covering all possible cases. It is extremely important that the member of the sect finds people here who are close to him, ready to help him at difficult moments and give him "feelings of comradeship."

Why is social protest and dissatisfaction with one's actual surroundings more likely to take sectarian form in the United States than in other capitalist countries? Why are these sects so widespread in the United States? Apparently, one of the main reasons for this is the specifically American attitude toward religion. This is a country which has never been dominated by a dogmatic and hierarchical state church, a nation which was distinguished from the beginning by a plurality of Protestant denominations (it is precisely for this reason that the American Revolution did not acquire an anticlerical nature). The American ideology was nurtured on religious tolerance, a rigid division between church and state and, at the same time, a recognition of the great value of Christianity and of religion in general. For this reason, the mass American consciousness is still characterized simultaneously by religious tolerance, an absence of anticlerical feelings in connection with the great value attached to religion, and considerable intolerance for atheism. An indicative comment was made by D. Eisenhower: "Our government can have no meaning...unless it is based on deeply felt religious faith; it does not matter which faith this is."<sup>12</sup> This attitude toward religion fosters the origination and spread of the sects, particularly since the latter help to preserve the stability of the American bourgeois society.

Above all, the sects channel social protest, which could take the single direction of revolutionary sociopolitical ideology, into many diverse religious ideologies. Creating the illusion of an outlet for the sectarian's accumulated hatred for society, they put their trust in a "supernatural" solution to the problems tormenting sect members and aid in excluding them from conscious political struggle rather than including them in this struggle.

What happens to a new sect? In order to "survive," it must solve certain problems common to all sects. The main one is the problem of organization and ideological discipline, which becomes a particularly crucial matter upon the death of the founder, who has acquired absolute authority and power. At this time, the enthusiasm of the sect members and the inevitable internal power struggle can lead to the appearance of several conflicting authorities, a variety of self-appointed successors to the founder, the bearers of the



"absolute truth." The sect will disintegrate at this time (and this is precisely the period of maximum "mortality" for sects) unless it can substitute impersonal authority by the organization for the personal authority of the founder; from this point on, it will be the organization that adopts the ideological documents essential to the members.

In the second place, the sect must solve the problem of its interrelationship with society. Even if the sect members are not persecuted, they must still live in a state of extreme tension because everything that they hold sacred is regarded with indifference, at best, by society. In order to relieve this tension and to preserve the sect from "harmful" outside ideological influence, the members of the sect must isolate themselves from society. Contacts between members and nonmembers are restricted in the greatest variety of ways: The sect establishes enterprises employing only members, its own system of leisure time activities and its own educational system; members are externally separated from the rest of society by their clothing (the Black Muslims, the Amish, the Hutterian Brethren and, in the past, the Quakers); a special language is cultivated (Arabic and Hebrew are learned by members of black non-Christian sects, the old German speech is preserved by the Amish and Hutterian Brethren, etc.); finally, territorial isolation is practiced (the most vivid example is the flight of the Mormons in the last century to the region now known as Utah and their establishment of their own state there).<sup>13</sup>

Sometimes the isolation is so pronounced that the organization is preserved for a long time. As a rule, however, only the necessary minimum of stability and solidity is achieved. In the second and third generations, the psychological climate of the sect changes: "Religious fervor" abates, but this is replaced by habitual faith. This is often accompanied by some improvement in the social position of the sect members as a result of their asceticism, thrift and persistent labor.<sup>14</sup> The values of bourgeois society begin to gradually "penetrate" the sect and change it internally. This is what is now happening, literally before our very eyes, in the rapid process of the "bourgeoisization" of the fanatical Black Muslim sect which attracted everyone's attention in the 1960's.

Therefore, the sects do not simply direct social protest into a relatively safe channel, but they also promote the assimilation of bourgeois values by representatives of the socially explosive stratum most psychologically alien to these values.

The history of the American sects has not been idyllic in any sense. Their members have always included fanatics, who are frequently obsessed with hatred for the sinful world. This history has witnessed the "Mormon Wars," the armed struggle of the members of this sect defending their independence and beliefs (including the polygamy they were practicing at that time) against American troops and settlers in Utah, it has witnessed the murder of deviators by the Black Muslims, etc. On the whole, however, American bourgeois society has made maximum effort to alleviate conflicts with sects by making various concessions to them and by allowing sectarians to not serve in the Army, not salute the flag, establish their own educational systems, etc.

For this reason, the tragic occurrence in Jonestown is much more difficult to explain than, for example, the self-immolation of the schismatics persecuted by the Orthodox Church and state. Apparently, the final chapter in the history of the Peoples Temple was connected with some profoundly distinctive feature of this sect. What was this distinctive feature?

The ideology and organization of the Peoples Temple, just as in the case of any sect, centered around the personality of the founder, Jim Jones. Who was this Jones?

He was born in Lynn, Indiana, in 1931. His father was a worker. According to Jones, his mother was half Indian (a statement his relatives deny) and his father was a white racist and a member of the Ku Klux Klan. His parents did not get along and in 1945 they separated. In 1949 Jones married Marceline Baldwin, a nurse (she died with him in Jonestown). In 1959 he received a degree from a university in Indianapolis where he had been taking night classes.

Ideologically, Jones presents a vivid example of juvenile rebellion against parents. Jones used to recall how his father beat him for making friends with black children. However, as is often the case in this kind of rebellion, the children undergo a radical ideological change but they inherit the mentality of their parents. Jones's father was a right-wing extremist and Jones himself became a leftist extremist, unable to find a place for himself in any organization and turning out a "revolutionary loner." His idol was the "hero" of the western "ultra-revolutionary" intellectuals, Mao Zedong (it is true that, in Jones' eyes, this idol turned out to have feet of clay after the American-Chinese rapprochement). At this same time, Jones became a religious preacher. It is possible that all of this began by accident. There is evidence that his black friends invited him to read the Bible in their congregations when he was 14 years old. Later, when he became fascinated with leftist extremism, he remained a preacher as well. How did Jones manage to combine his extreme leftist convictions with religious sermons? Why did he choose this career?

Jones himself later recalled that he tried at first to "frankly state" his political beliefs, but only encountered hostility and persecution, after which he put on the mask of a religious preacher.<sup>15</sup> This is a common and respectable profession in the United States.

The second reason for this choice was its natural appeal to the most socially explosive stratum, whose members had staged many riots in the 1960's--its appeal to the black lumpenproletariat, filled with despair and hatred. In spite of the rebellious spirit of this stratum, it is more difficult for its members to accept an atheist ideology. It is extremely easy, however, for them to accept any other ideology if it gives social protest a sectarian religious form. Jones decided to establish his own sect<sup>16</sup> and to use it "for revolutionary purposes." As Jones' wife said: "Jim used religion to lead people away from the opiate of religion."<sup>17</sup> In Indianapolis Jones established a community, which was named the Peoples Temple in 1963.

Jones was related to the founders of other sects by his exaggerated idea of his own importance. Jones was an indisputable neurotic with paranoid tendencies. But Jones' ideas were not the result of hallucinations, as in the case of E. Lee, E. White, G. Fox or I. Swedenborg. Jones was not a man who retreated to his own dream world. He was "outer" directed; he participated actively and successfully in politics, which is not at all characteristic of the founders of sects. And Jones' ideology was not a religious ideology which created an absolutely imaginary world, but an ideology of extremist political sectarianism. This is the impression conveyed by descriptions of this philosophy in statements by Jones and the documents he left.

He called American society bourgeois, racist and militaristic. The society was controlled by the evil FBI and CIA, which were constantly weaving conspiracies. A horrible economic crisis was approaching, and this would be followed by a fascist coup, organized by these agencies and accompanied by the mass annihilation of blacks and a nuclear war.<sup>18</sup> Jones thought of himself as one of the greatest leaders in history, who had inherited the cause of the great revolutionaries of the past and would continue their work. He was the only man who could understand that this horrible future was unavoidable and could prepare the way for "socialism-communism."<sup>19</sup>

Jones' sect made special preparations for the coming social cataclysm. In the chaos of the future, it would act as a cohesive and disciplined force which would organize rebellious people,<sup>20</sup> spread the new lifestyle developed in its communes and thereby save society. This would be followed by universal prosperity, and Jones and his people, who would have saved the others from chaos, would become the elite in this grateful society.

This was a fairly typical ultra-leftist extremist ideology, not so very far from the views of Mao or Pol Pot, but perhaps just a bit cruder and more grotesque. At the same time, it was close to the ideology of religious sectarianism. We could even say that this was a conventional religious sectarian ideology, but one which did not focus on "life after death" and concentrated instead on the terrestrial level; it did not create a hypothetical, imaginary world, but simply provided an exaggerated interpretation of the realities of this world.

It was precisely the absence of the "otherworldly perspective" in Jones' ideology that had extremely important consequences for the internal structure of his sect and its subsequent fate. In the conventional ideology of the religious sect, the highest value is salvation in the afterlife, and faith is the means of achieving it. In Jones' ideology, the highest value, equivalent to "salvation," was worldly success. The means of achieving it lay in the activities of the sect. Jones did not see his people as a group of chosen possessors of the truth who would enjoy a blissful afterlife with him, but more as a unit which had to carry out a specific assignment. For this reason, discipline and the obedience of the sect members were more important to him than the "accuracy" of their beliefs, and he could instill any ideas he knew to be false in these members just for the sake of achieving this kind of discipline. He used methods reminiscent of the methods of S. Nechayev, Russian "revolutionary" opportunist of the last century.

The social composition of the Peoples Temple was amazingly heterogeneous for a sect. It seemed to consist of two different parts. There was a small group of young people from the highest strata of American society, graduates or former students of elite universities, representatives of the rebellious groups characteristic of the 1960's, the young people who had challenged bourgeois society. These people most likely shared Jones' real views. But most of the members (80-90 percent) were representatives of the barely literate black lumpenproletariat. These were people who were more likely to believe in the power of magic tokens and in a happy afterlife than in Jones' "revolutionary" sermons. They were quite prepared to believe that Jones could resurrect the dead and cure cancer, that he was all-seeing and that his photographs, just like icons, had magical properties--one could ward off fire, another warded off illness, a third provided accident protection, etc. They saw Jones as their savior and their god.<sup>21</sup> The happy future he promised apparently also included a happy afterlife (according to Jones' teachings, the new form taken on by a person after death would depend on his behavior in "this" life).<sup>22</sup>

It would be impossible to understand the Peoples Temple without taking into account that the members of the sect really were deeply devoted to Jones, trusted him and loved him. Through him, they gained self-respect and found meaning in their life. For the first time, they communicated with educated whites who were not condescendingly "concerned" about them, but who lived with them as equals. For the first time, former dope addicts, prostitutes and the "dregs" of the ghettos saw themselves as people. Life in the commune relieved poor people of their constant insecurity; here their hunk of bread was guaranteed, all problems were being solved and order prevailed. For many members, this was already a move from "hell" to "heaven." The terroristic regime in the Temple was not founded on fear alone: It relied mainly on faith.

Nonetheless, the problem of obedience was quite pronounced in the sect because of its extremely heterogeneous (psychologically, culturally and even ideologically) composition and the system of lies and manipulation that permeated its life.

The new member of Jones' sect entered into a complex hierarchical organizational structure. At the top, naturally, was Jones; below him there were 12 "angels," then the "Temple Planning Commission" (around 100 people) and other commissions, then the members who lived in communes and then an amorphous group of people who were "not full members."

Jones tried to arrange things in such a way that a member could never leave the sect. The new member was not only required to turn over all his property to the sect (which is typical of any sect living communally), but also had to sign written confessions to crimes which he had not committed, to enter his signature on blank sheets of paper which could later be filled in to say anything, etc. People felt that they were conspirators, the bearers of a "secret" which could not be "betrayed."



Terrorist methods were used to maintain discipline--public whippings and other types of corporal punishment, and in Guyana the disobedient were even "treated" with depressants. An important place was occupied by various types of public "catharsis" sessions, statements of "self-criticism" and various kinds of written confessions, which were found in abundance in Jonestown. Finally, Jones simply intimidated potential deserters with death threats.

All of this combined to create a group of people unconditionally obedient to Jones. How did he use them and what was the relationship between this group and society?

After founding his sect in the expectation of an impending cataclysm, Jones used it "for the meantime" in a political struggle. Jones' political activity was quite successful. The sect was a mobile and effective organism: If Jones gave the word, people stayed up all night composing letters of protest (or support), signing them with fictitious names as well as their own. They could make an appearance at any rally at a moment's notice to support or jeer the speaker. Naturally, they voted in accordance with Jones' orders. This made the sect a definite political force in the cities where it was later based. Another factor which contributed to Jones' political influence was his positive "image" in liberal circles.

The fact is that Jones' "esoteric" ideology was only known to an extremely limited group. Externally, on the other hand, it appeared to be a leftist, anti-racist but nonetheless reformist ideology with some particular religious aspect that was not forced on anyone (and whose precise meaning no one knew or cared to know). Jones' political activities corresponded to this liberal-reformist "image."<sup>23</sup>

What is more, he and his sect were a living reproach to the American liberals. The liberals supported black rights, fought against the ghettos and so forth, but they always remained people of their own circle; it was quite another matter to live with illiterate poor people and share their hardships in the ghetto world. For the liberals, Jones was a man who practiced what they themselves only preached.

Jones' political influence was already apparent in Indianapolis, where he occupied the relatively important post of director of the Human Rights Commission. But this influence, naturally, was not at all the kind of success Jones needed and it was connected with a constant fear of exposure.

As soon as the situation threatened to change (church circles began to investigate his fake cancer cures and the authorities took an interest in the sect's assumption of all its members' property rights and in other vague aspects of sect life), Jones dropped everything and moved, with a group of devoted followers, to California, a state where the number of sects was infinite and the appearance of a new one would not amaze or even interest anyone.



At first the sect established itself in the small town of Ukiah, where it rapidly acquired influence. Later, Jones moved to San Francisco.

This was where the Peoples Temple flourished. The sect grew, it had around 2,000 members and at least 20 communes, it had branches in Los Angeles and other cities, and it owned property worth up to 10 million dollars (the result of property and salaries turned over by members, "outside" contributions and business deals). Jones' political influence reached its peak. Everyone came to see him at the Temple and everyone posed for photographs with him! Later, after the Jonestown tragedy, when the American press was looking for a "scapegoat" and began to accuse the Guyanese Government of an "oversight," the authorities in this country published the letters of recommendation Jones had brought with him to Guyana. They included letters from San Francisco Mayors G. Moscone and J. Alioto, U.S. Vice-President W. Mondale (he wrote the following to Jones: "I have heard of your congregation's deep involvement in the major social and legal constitutional problems of our nation and this has greatly impressed me"), Secretary of Health, Education, and Welfare J. Califano, the late senator and presidential candidate H. Humphrey and former NAACP Director R. Wilkins. Jones and the members of his sect were visited by California Governor E. Brown and Lieutenant-Governor M. Dymally,<sup>24</sup> and he posed for pictures with Rosalyn Carter, the wife of the President, after he helped her organize a rally for the election campaign that was going on at that time.

But this success was questionable for the "revolutionary messiah"--and it was not guaranteed to last. The more famous he became, the more he feared exposure. And when exposés actually were printed (in NEW WEST magazine), Jones reacted to them with as much panic as in Indianapolis. In July 1977 he moved to Guyana with a group of his followers,<sup>25</sup> and in August, after his sect was given loud and extensive coverage in the SAN FRANCISCO EXAMINER, the majority of his followers moved to this country.

In the Jonestown commune he established, the founder of the sect apparently threw off his religious mask and freed himself of the need to take American rules and conventions into account. His sermons became increasingly frank. But for the aging "great revolutionary leader," the commune in Guyana and the role of a provincial princeling were a bust. Jones began to sink and "let himself go." His attention was increasingly absorbed by sexual orgies and his punishments of offenders became increasingly esoteric, with sadistic elements. Jones was turning into a petty tyrant.

But even Jonestown, the refuge which he had created at the cost of giving up his work in the United States and which later attested to the failure of his ambitious plans, brought him no peace. Jones was convinced that people could get to him even here. His fear of the FBI and CIA drove him into a panic. He, "the great revolutionary," had played a diabolical game with the authorities and they would not forgive him for this. It was possible that agents had already arrived and had infiltrated the sect. He planned to escape to some place even farther away, to other countries

that were inaccessible to the FBI. But no one needed a suspicious American sect with a vague ideology and a peculiar internal life. Therefore along with his hope of escape, he dreamed up another plan--suicide.

The mass suicide was organized in the same way as all other aspects of sect life--a combination of persuasion and intimidation, sincerity and falsity, devotion and fear. The plan to stage a mass suicide in the event that people would "get to" the sect even in Jonestown was worked out far in advance. Jones convinced the members of the sect that "revolutionary suicide" was a wonderful act, that this would put them on the same level as other revolutionary martyrs and that, even if they did not commit suicide, they would have to die in any case. And they agreed. The papers found in Jonestown included many notes in which the members expressed their approval of this idea. "If the capitalists come...", an 11-year-old boy wrote, "I will simply take poison right away."<sup>26</sup> The beliefs of his followers were never of any real importance to Jones, but their submission and their actions were important. Even in this case, he used deception and intimidation: He staged several rehearsals, asking all of his followers to take what he told them was poison, after which he would explain that this was a test and that the drug they had taken was not poison at all. Those who did not drink the liquid were called cowards and were subjected to "catharsis" sessions. People became accustomed to these rehearsals and stopped taking them seriously.

Leo Ryan's visit and the departure of several members of the sect who would indisputably talk about the way of life in Jonestown, which would have resulted in exposure and intervention by the authorities, were interpreted by Jones as the end. And once Ryan had been murdered (which was most probably a completely unpremeditated act, committed in the heat of the moment), all hope was lost. Retribution awaited the guilty. This was when the suicide plan was implemented.

When the Jonestown tragedy occurred, press organs in the United States began to search for the guilty parties. They accused the State Department and the U.S. Embassy in Guyana of not paying enough attention to the "signals" of terror in Jonestown. The press asked why the authorities in San Francisco, and later the Guyanese authorities, had looked the other way. In addition to accusing specific individuals, the newspapers began to write about the "horrors of sects" in general. Conservative press organs were happy to heap abuse on the liberals and radicals who had supported Jones.

But an occurrence of these dimensions is not the ordinary type of crime in which it is easy to find the actual guilty parties. There is no question that society was the chief villain. The Jonestown tragedy is an American tragedy. Whereas the self-immolations of the schismatics were sacrifices of victims of the intolerance of the Orthodox Church and state, Jonestown was a sacrifice of victims of the poverty of urban ghettos, racism, and the American society's inability to provide a clearcut view of the world and an acceptable system of values for millions of people who are forced to search for the meaning of life in the most fantastic ideologies.

But whereas society made the Jonestown tragedy possible, Jones and his associates turned this possibility into reality.

History has seen many preachers and politicians who have maintained that all means to a great end are good and that human life is of no value in itself. Jonestown can be classified along with such other phenomena as the Nechayev affair, terrorism of anarchists and the bloody slaughter staged in Kampuchea by Pol Pot and Ieng Sary, who are ideologically not far removed from Jones.

#### FOOTNOTES

1. The facts of this matter have been set forth in detail in the American press, particularly in issues of TIME, U.S. NEWS AND WORLD REPORT and NEWSWEEK of 4 December 1978. This story is gradually being supplemented with new details.
2. Jones left a multitude of documents behind; he obviously wanted everything that occurred in Jonestown to go down in history. Unfortunately, some of these documents were destroyed and some others were pilfered. A large part of the remaining material is now being published in the press. The confessional letters addressed to Jones by members of the sect (this was one essential facet of their ideological brainwashing) are of particular interest; as yet, only part of this material has been published.
3. The most prominent English researcher of religious sects, B. Wilson, writes: "Sectarian ideologies...have been the main American export item, particularly after World War II" (B. Wilson, "Religious Sects," London, 1970, p 230).
4. The three types described below are not groups that are absolutely isolated from one another, but three "extreme points," within the limits of which individual organizations can be situated, and simultaneously, as it were, three "yardsticks" for measuring any such organization.
5. This applies above all to the major American Protestant churches--the United Presbyterian, United Methodist, United Church of Christ, Episcopalian and others. For a discussion of the term "denomination," see D. Martin, "A Sociology of English Religion," London, 1967; J. Wach, "The Comparative Study of Religions," Chicago, 1958.
6. A sect cannot have a long existence. In time, it evolves into an organization of another type. Sects which do not disintegrate after the death of their founder (which is usually the case) gradually evolve into denominations. There are sects, however, that were able to isolate themselves from society to such a degree that they remained separate and intolerant for centuries. In the United States this applies, for example, to the Amish and Hutterian Brethren, sects of German origin which preserved

the language and dress of the 16th century, the era of their birth, and which formed enclaves isolated from society. Sociologists generally call these sects "established or institutionalized sects."

7. The founders of sects frequently resort to deception as well, in the belief that the truth they have espoused is so great and so important that any means used to achieve its dissemination are justified. The fanaticism of these preachers, their conviction that they are absolutely right, their ability to inspire faith in their teachings and their religious zeal distinguish them from ordinary con-men who abuse the trust of others.
8. For a discussion of the black sects, see A. H. Fauset, "Black Gods of the Metropolis. Negro Religious Cults of the Urban North," Philadelphia, 1944; E. Essien Udom, "Black Nationalism. A Search for an Identity in America," London, 1963; L. Lomax, "When the Word is Given. A Report on Elijah Muhammed Malcom X, and the Black Muslim World," New York, 1963; H. Brotz, "The Black Jews of Harlem," New York, 1970. See also "The Autobiography of Malcom X" (New York, 1969).
9. As a rule, sharply negative ideas about the recent past coexist in the sect ideologies with vague ideas about the marvelous distant past--for example, the mythological era of past black grandeur (the Black Muslims and the 'Black Jews'), the era of early christianity, etc. The "Golden Age," which obviously does not exist at present, is simultaneously projected into the past and future.
10. The sects which reject the New Testament or relegate it to a position of secondary importance because their founders are aspiring to the role of gods or great prophets "overshadowing" Jesus Christ reproduce this framework in the clearest and most "classic" form.
11. Although most sects come into being in the "lowest" social strata, there are exceptions to this rule. It is indicative that the sects uniting members of the "middle strata" often wear a pseudo-scientific disguise (which is even apparent in their names--"Christian Science" and "Scientology") and focus their attention on healing and on problems capable of arousing despair and hopelessness in rich people. In our time, there are also many new members of sects who are drifters and young members of intellectual and bourgeois families who have joined the lumpenproletariat.
12. Quoted in : W. Herberg, "Protestant-Catholic-Jew: An Essay in American Religious Sociology," New York, 1956, p 97.
13. Members of American sects often establish settlements or communes with all property held in common. In this respect, the establishment of a commune in Guyana by the Peoples Temple was completely normal behavior for a sect. The only difference was that the ideological basis was unique, as we shall see, in this case.



14. See G. Schwartz, "Sect Ideologies and Social Status," New York, 1970, as well as the articles in the collective work entitled "Religious Movements in Contemporary America," edited by I. Zaretsky and M. Leone, Princeton, 1974.
15. THE NEW YORK TIMES, 20 December 1978.
16. The appearance in the black ghettos of a white preacher who gave all his energy to help the blacks and took homeless children under his protection (Jones adopted eight of them, including a black boy and a Korean girl), and what is more, a preacher with some kind of unconventional religion "of his own," indisputably created a "sect-engendering" situation. All he had to do was "heal" someone besides, and there would be people who would call him a new Jesus Christ. Besides this, Jones prepared thoroughly for this role by studying the "experience" of two other Negro sects--"Bishop Grace" and "Father Divine" (NEWSWEEK, 4 December 1978, p 28).
17. THE NEW YORK TIMES, 26 November 1978.
18. As we have already pointed out above, the sectarian ideologies generally refer to bygone days of virtue and truth. Was there any similarity between these ideas and Jones' teachings? In the first place, he idealized the "pre-industrial society" (see the interview printed in the 20 December, 1978 issue of L'EXPRESS, granted by a former French member of the sect). In the second place, the remaining documents suggest that all revolutionaries (with the exception of Jones) have lost the purity of revolutionary teachings.
19. One of the many letters addressed to Jones by members of the sect states: "You are implementing the principles of socialism-communism on a higher level than anyone else in the whole world" (NEWSWEEK, 4 December 1978, p 39).
20. One of Jones' followers asserted: "We must be an integral group which will organize other people when they are seized by panic" (SAN FRANCISCO EXAMINER, 14 August 1977).
21. One of Jones' former associates said that when Jones moved to California, he "stopped calling himself the incarnation of Jesus and began to simply call himself God" (TIME, 4 December 1978, p 13). In the letters written to Jones by members of the sect in Jonestown, he is called "saviour." One letter says: "Father, miraculous, pure...and supernatural" (TIME, 11 December 1978, p 41).
22. THE NEW YORK TIMES, 30 November 1978. In the chaos of the views espoused by the sect, it is difficult to draw a line between Jones' own opinions and what he prescribed for others. Did he himself believe, for example, that the American government was building gas chambers for blacks or was he simply trying to scare his followers? Did he seriously believe that there was a "mystical connection" between his life and the activities of great revolutionaries (THE NEW YORK TIMES, 29 November 1978, p a-14) or did he dream this up for the members of his sect?



23. One of the paradoxical elements of Jones' activity was that he practiced liberalism as well as preaching it; his "revolutionary nature," strictly speaking, never made itself apparent, and his work was limited to political and philanthropic actions in aid of the poor and never went beyond the bounds of moderation. Jones believed that by hiding his "revolutionary nature," he was thereby leading the bourgeois society "around by the nose." In fact, however, when he entered into the political game and hid his "revolutionary nature," he had to accept the rules of this game.
24. THE NEW REPUBLIC, 2 December 1978, p 6.
25. This was an understandable choice. Guyana is a multiracial country with a tremendous prevalence of English-speaking blacks and Indians whose ideology is not far removed from the ideal of the agricultural commune. In general, this country needs people to populate its boundless jungles. Several black sects, particularly those closest to the "Black Jews," have now emigrated from the United States and have found a refuge in Guyana (THE NEW YORK TIMES, 27 November 1978).
26. THE NEW YORK TIMES, 29 November 1978.

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## CONCENTRATION AND CENTRALIZATION IN THE SERVICE INDUSTRY AND ITS DISTINCTIVE FEATURES

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[Article by L. S. Demidova]

[Text] One of the main features of American economic development in the postwar period has been the relatively rapid expansion of the service industry. This has been accompanied by profound changes of a structural and qualitative nature, some of the most important of which have been changes in the level of the concentration of production and capital.

As we know, concentration does not develop uniformly throughout an entire economic complex. In some branches, technical and organizational bases favor the rapid enlargement of production units and an increase in the quantity of individual capital, while in other branches there are forces impeding the development of these objective processes. Production concentration develops first in industry. In such branches of the service sphere as transportation, communications and the credit and finance system, the augmentation of production and capital has coincided with the same process in industry or has followed immediately behind it. Another part of the service sphere--trade, the large and extremely diverse group of branches serving production and the population (consumer services, the hotel sector, services for production and distribution, repair services and professional services), as well as several types of social services (public health, education, etc.)--is lagging noticeably behind industry, transportation and communications in terms of rates of concentration, and is still characterized, according to generally accepted indicators, by a more fragmented structure and a lower level of concentration.

Bourgeois ideologists frequently employ this fact as "grounds" for categorizing this group of branches as a special sector, with socioeconomic features which allegedly differ from those prevailing in the society. Some bourgeois theoreticians regard this sphere primarily as a zone of small business, free competition and the free play of market forces and contrast it to the industrial corporation, which plays an exceptional, leading role in the present and future of capitalist society. Others see the service sphere as a special

area because it is distinguished by the assignment of greater significance to various forms of operational organization, particularly those prevailing in the system of education, public health, scientific research and so forth, which differ from private capitalistic institutions.

Despite the dissimilarity of these ideas, they both exclude this entire group of branches from the monopolistic structure to 1 degree or another, even though for diametrically opposed reasons, and believe that its internal ties, in contrast to those in industry, are conditioned either by the free play of market forces or by non-market forms of exchange. In this way, a huge sector, which accounted for more than one-third of the U.S. GNP in the mid-1970's and for almost 50 percent of the number of persons employed in the United States, is withdrawn from the sphere dominated by monopolistic capital. Ideas about the relative socioeconomic autonomy of these branches stem essentially from a formal and mechanical approach to their investigation and are quite far from the truth. In the postwar period, particularly in the last 20-25 years, it has been precisely these structurally fragmented branches (trade and the many types of services performed for production, distribution and the population) that underwent intensive socioeconomic transformation. A thorough analysis of their tendencies, forms and social content therefore acquires cardinal significance.

#### Production, Concentration.

The rapid development of production concentration in the service sphere has been a result of the entire intricate complex of technical, social and economic changes in the nation's economy. Here, just as in other branches of the economy, scientific and technical progress represents the material basis and major stimulus for the enlargement of production units. The new equipment, machinery and instruments that are replacing manual labor and less effective tools of labor are becoming an integral element of the service industry, although there are still great differences in the scales of their utilization in individual branches and types of services. Possibilities for the relatively rapid and broad employment of technology took shape in an atmosphere of dramatically increased demand for various types of services in the postwar period, which simplified the standardization of many operations, their organizational restructuring and the transition to mass services.

The enlargement of service units was also fostered by such factors as urbanization, changes in the population's way of life, the dramatically increased mobility resulting from the widespread use of motor vehicles, the stronger territorial concentration of demand and the enlargement of the operational zone of service enterprises. The same effect has been produced by progress in the areas of transportation, communications and control systems based on computer equipment, which has considerably simplified the delivery of supplies to stores and repair shops located far away from warehouses, and the collection, processing and transmission of information about the nature and dynamics of consumer demand and the operational results of peripheral links of large production units.

Production concentration in the service sphere has mainly taken the form of an increase in the size of the average enterprise. Between 1948 and 1972, profits in retail trade per enterprise in the United States increased (in constant prices) 2.2-fold, while the figure in wholesale trade and other branches of the service sphere was 1.5-fold.<sup>1</sup> New types of large stores have become widespread in retail trade and have crowded many small merchants out of this sphere. In 1976, there were 32,700 supermarkets (large self-service grocery stores) in the nation; they represented 18 percent of all grocery stores but they earned 75 percent of all profits. The modern supermarket now carries more than 12,000 items, in comparison to 5,000 in 1960.<sup>2</sup> The average size of department stores and other traditional types of stores has increased, as well as that of enterprises offering service to the population, production and distribution, particularly service stations, repair shops, dry cleaning establishments and laundries: medical establishments and academic institutions have grown in size.

Concentration is also developing as a result of structural changes--the concentration of services in larger production units. Between 1948 and 1972, the number of enterprises in wholesale trade increased 1.8-fold, but the number of enterprises with an annual turnover exceeding 1 million dollars increased 5-fold. In retail trade, stores with annual profits exceeding 1 million dollars accounted for 2.2 percent of all enterprises and 36.5 percent of total commodity turnover in 1963, but the respective figures had already reached 3.9 percent and 48.9 percent by 1972.<sup>3</sup> In the hotel sector, the proportion accounted for by motels with 50 or more rooms rose from 5.1 percent of the total in 1958 to 19.5 percent in 1972, while the figure for motor hotels rose from 43 percent in 1963 to 56 percent in 1972.<sup>4</sup>

The features distinguishing services from physical products (the fact that production, sale and consumption coincide in terms of time and space, the fact that the product is non-transportable and cannot be accumulated) give rise to certain modifications in specific forms of production concentration. The maximum size of enterprises in the service sphere is more rigidly limited: Under the conditions of localized and, quite often, individualized demand, the large enterprise is not always or unconditionally superior to the small one, and the savings derived from larger scales of operation are comparatively low in this sphere. The objective need for collectivized production, however, is also making inroads in this sector, changing its form in accordance with specific conditions and taking, for example, the form of associations of several relatively small enterprises of the same type. Within the framework of this kind of association, some operations, specialized for the production of services of this type, are spatially distributed, while some other functions, common to all production links, are centralized, and the entire production complex, which is called a chain, consists of a central administrative link and a number of homogeneous production links, the dimensions of which vary depending on the specific nature of production and the market.

The chain system of organization is now characteristic of most types of services. The banks were the first to use this form of concentration (wherever state laws permitted this), by setting up a network of local branches.

In the 1920's, trade and the movie industry followed the banks' example. In the postwar years, this form of concentration has demonstrated its objective expediency and viability in virtually all types of services for production and the population--the hotel business, public catering, repair services, business services, etc. The network of private hospitals, clinical laboratories, convalescent hospitals and therapeutic sports establishments is being reorganized according to the same principle. The differentiation of functions and the standardization of operations involved in the satisfaction of mass demand produce a considerable savings as operational scales increase, and heighten efficiency, while the territorial distribution of enterprises broadens the market and allows for the fuller satisfaction of public demand.<sup>5</sup>

All of these factors lie at the basis of the rapid spread of chains, which are now becoming the chief form of business organization in several service categories. The proportion accounted for by chain enterprises in retail commodity turnover in the United States rose from 29.6 percent in 1948 to 44 percent in 1972, and their share of branch profits from the rendering of services to production and the population rose from 24.3 percent in 1954 to 33.5 percent in 1972. In this last group of branches, the number of private enterprises increased 2-fold during this period while the number of chain enterprises increased 2.4-fold.<sup>6</sup> In the hotel sector, chain hotels and motels accounted for 57 percent of all accommodations in 1977, in comparison to 30 percent in 1972.<sup>7</sup>

Concentration in the service industry is now transcending the branch framework more and more frequently. Shopping centers have become quite popular in the postwar period--these are combines offering various services, something like a medieval fair modified to conform to modern technical, economic and social conditions. The most diverse trade establishments and enterprises, as well as spheres of services for production and the population, are concentrated in large multi-story complexes, often under a single roof.<sup>8</sup> In 1976, there were around 16,000 combines of this type in the United States. In turn, these are now more and more likely to become part of a larger, multipurpose public trade center, consisting of, in addition to trade and service enterprises, convention halls, sports complexes and so forth. Many types of services are concentrated in such mass recreation facilities as national parks or amusement parks of the Disneyland type (there are more than 30 of these), as well as centers for culture and the arts, consisting of museums, picture galleries, libraries, moviehouses, legitimate theaters and various art clubs.

#### Concentration of Capital and Monopolies.

In the postwar period, the concentration of production and the concentration of capital in the service sphere have been complexly interconnected and their development has been parallel to a considerable extent. The growth of production concentration has stimulated the domination of this sector of the economy by big capital. In turn, the increased size of capital has been a powerful catalyst in the enlargement of production units, particularly if we consider the expansion of monopolies from other branches of the economy



into the service sphere, as well as the specific chain association forms of production concentration. The disappearance of relatively small economic units and the expanded domination of more mature forms of capitalist production relations can be judged, for example, from the data in Table 1.

Table 1

Percentage Accounted for by Various Types of Businesses  
in the Total Profits of Service Branches

(1) Отрасли	1959 r.			1971 r.		
	(2) корпорации	(3) партнерства	(4) индивидуально владельческие бизнесы	(2) корпорации	(3) партнерства	(4) индивидуально владельческие бизнесы
(5) Вся экономика США . . . . .	75.3	7.5	17.2	83.4	4.5	12.1
(6) Транспорт . . . . .	85.6	3.0	11.4	89.1	1.6	9.3
(7) Связь . . . . .	97.8	0.6	1.6	99.6	0.2	0.2
(8) Торговля . . . . .	65.4	10.7	23.9	78.4	4.9	16.7
(9) Оптовая . . . . .	78.7	9.2	12.1	88.0	3.8	8.2
(10) Розничная . . . . .	56.5	11.9	31.6	72.1	5.7	22.2
(11) Кредитно-финансовая сфера . . . . .	73.8	21.2	5.0	79.9	16.3	3.8
(12) Страхование . . . . .	93.1	1.0	5.0	95.1	1.1	3.8
(13) Операции с недвижимостью . . . . .	38.5	31.7	29.8	34.3	19.3	46.4
(14) Услуги производству и населению . . . . .	39.2	16.9	43.9	53.1	14.8	32.1
(15) Гостиничные услуги . . . . .	53.8	13.5	32.7	65.1	13.5	20.4
(16) Бытовые . . . . .	37.6	14.6	47.8	45.8	8.4	42.8
(17) Услуги бизнесу . . . . .	68.9	6.9	24.2	81.3	4.4	14.3
(18) Ремонтные . . . . .	32.8	16.4	50.8	50.0	7.5	42.7
(19) Рекреационные . . . . .	70.0	9.4	20.6	76.8	7.3	15.9
(20) Медицинские частные . . . . .	—	—	—	33.6	15.1	54.3

Key:

- |                                  |  |
|----------------------------------|--|
| 1. Branches                      | 11. Credit and finance sphere              |
| 2. Corporations                  | 12. Insurance                              |
| 3. Partnerships                  | 13. Real estate operations                 |
| 4. Individually owned businesses | 14. Services for production and the public |
| 5. Total U.S. economy            | 15. Hotel services                         |
| 6. Transportation                | 16. Consumer services                      |
| 7. Communications                | 17. Business services                      |
| 8. Trade                         | 18. Repair services                        |
| 9. Wholesale                     | 19. Recreation                             |
| 10. Retail                       | 20. Private medicine                       |

Calculated according to: "Statistics of Income...1959-1960. U.S. Business Income Tax Returns," Washington, 1962; "Statistics of Income...1971. U.S. Business Income Tax Returns," Washington, 1975. More up-to-date reference works with data of this kind are not available as yet.

Within a relatively short period of time, corporations, which represent primarily big capital, have noticeably reinforced their position in almost all branches. For example, in terms of the proportion accounted for by corporations in total profits, wholesale trade is now approaching the level of such highly concentrated branches as transportation, communications and the credit and finance sphere. By the beginning of the 1970's, this indicator exceeded 50 percent in almost all branches offering services to production and the population, which were long the domain of small business. Big capital's position is particularly strong in the branches of business services, the recreation industry and the hotel sector. The concentration of capital has also developed intensively in retail trade and public catering.

Monopolistic capital is now actively entering areas traditionally dominated by small businesses. The hotel firms which sprang up in the first postwar years, Holiday Inns, Hilton, Sheraton and several others, now unite a multitude of chain-organized hotels, motels, motor hotels and other enterprises of the hotel type. In 1975, the Holiday Inns empire consisted of 1,700 enterprises with a total of 275,000 rooms. Sheraton had 400 enterprises in 1977, and around 100,000 rooms, in comparison to 43,000 in 1968.<sup>9</sup> Hilton controls 150 hotels in the United States and abroad. The operational activity of these hotel giants is rigidly standardized--the variety of services, the architectural style of buildings, interior decor, advertising and logos. The management of hotels located throughout the world is centralized in one location, where all of the major decisions concerning the firm's development are made.

Here is an example from the field of real estate operations. With the aid of more than 4,000 agencies, the Century 21 realty corporation of Irving, founded in 1972, is conducting 10 percent of all operations of this kind in the nation. Just six large firms in this field unite approximately 8,000 agencies.<sup>10</sup>

Several branches of business services also have their own "big five" or "big eight." In the field of management consultation services, Booz, Allen & Hamilton, McKinsey & Company and other firms have grown to gigantic dimensions. Peat, Marwick, Mitchell & Company have increased its number of consultants from 25 in 1955 to more than 700 at the present time. The "big eight" in this branch account for approximately one-fifth of total profits.<sup>11</sup> The Comprehensive Accounting corporation offers accounting and bookkeeping services through a network of 125 offices located throughout the country. There has been rapid consolidation of the capital of organizations offering design engineering, architectural and legal services, in the advertising industry, etc.

Technical and organizational progress combined with expanded demand, promising new profits, aroused the interest of capital in such branches as medical services as well. Corporations setting up networks of private hospitals--for example, Hospital Corporation of America, Hospital Affiliates International and Medical Enterprise--are becoming established in the hospital sphere. By the beginning of 1977, the first of these had 68 of its own hospitals and

had been contracted by "nonprofit" organizations to manage 17 hospitals, with a total of 13,500 beds.<sup>12</sup> By the beginning of 1975, the five largest corporations controlled one-third of all private hospitals in the country.<sup>13</sup> The network of private institutions in the educational system, particularly professional schools, is expanding.

The consolidation of big capital in the service sphere is being accomplished under the conditions of fierce competition and, just as in branches of physical production, will not reach the stage of absolute monopoly. Domination by monopolistic capital will take the form of the division of the market between more or less sizeable groups of large companies, depending on the specific conditions of each branch, and this domination will be distinguished by the preservation of a considerable substratum of small and medium-sized businesses.

A tremendous role in the monopolization of the service sphere is being played by the transfer of capital from other branches of the economy. In the expectation of high profits and favorable prospects, surplus industrial capital is flowing into this sphere, particularly into the rapidly developing branches, in the form of vertical integration or diversification. One important reason for this flow, which became particularly intensive in the 1960's, is the service sphere's lower susceptibility to the effects of cyclical factors. The leaders in this expansion are industrial giants, including Radio Corporation of America (RCA), W. R. Grace, General Electric and several others. The RCA corporation has entered the car leasing field and real estate and has set up service centers in many states for the repair and maintenance of RCA-produced radioelectronic commodities. In 1972, 20 percent of the firm's net profit came from car leasing and other services.<sup>14</sup> W. R. Grace began to diversify its activities by acquiring the Herman & Shwarz trading company with three stores, and it already has 54 of these stores, with varying fields of specialization. Consumer service enterprises and a restaurant and snack bar chain has now been added to these stores. The large AMF firm, an equipment manufacturer, has established itself in the recreation industry; the Upjohn pharmaceutical company has entered the field of public health by organizing a network of therapeutic sports facilities.

Food industry monopolies are vigorously collecting mass food enterprises, and 6 out of every 10 of the largest companies in this field are already controlled by General Foods, Pillsbury and other monopolies. The organizational structure of the rapidly developing branch of computer service offices and centers is taking shape primarily under the influence of industrial monopolies and through their direct participation. The "Automatic Data Processing, General Electric and Control Data industrial firms are intensively expanding the network of their own enterprises of this type. The field is also being entered by Boeing, McDonnell-Douglas and other firms.

As a result of the expansion of industrial firms, the service sphere is acquiring the necessary capital for its further development, as well as more effective equipment and more progressive organizational methods and principles, all of which have been tested in industry. Several branches

of this sphere are rapidly absorbing technical and organizational innovations and are being restructured on the model of highly organized industrial production.

Another process of expansion in the service sphere involves monopolistic capital from the more highly concentrated branches of this same sphere. The International Telephone and Telegraph monopoly, for example, controls the Sheraton Hotel company, Avis, the second-largest car leasing firm, and Data Service, the leading computer service firm. Airline companies are including the hotel business and the tourist industry in their sphere of activity. Railroad companies are opening recreation areas. The above mentioned Booz, Allen & Hamilton, which once specialized in management consulting, is diversifying its operations and entering other business service fields. The largest hotel firms, Ramada Inns, which had a network of more than 550 motor hotels in 1976, is expanding its restaurant business and has entered the sphere of medical services. Large service firms are now increasingly likely to avoid narrow specialization in their business practices and are diversifying their operations, offering their clients an entire package of services rather than one particular service: Accounting and bookkeeping services are supplemented by production and management consulting, transportation services are combined with hotel and tourist services, etc.

The positions of monopolistic capital in various branches of the service sphere can be judged from the data in Table 2. These data testify that the different subdivisions of this sphere are far from equally involved in the concentration process. The concentration of capital is most intensive in branches where the material and technical base has become much more complex as a result of technological progress, where technical equipment and industrial methods and organizational principles are being widely used, and where the very nature of services has changed in connection with the transition to mass standardized services and a situation in which increased demand guarantees the expansion of the market in the future as well as the present and simplifies technical and organizational restructuring. This applies above all to the services of computer offices and centers, the movie industry, car leasing, rental and parking services, the hotel sector, photo studios and labs, the advertising business, electrical equipment repair, etc.

The collectivization of production and the augmentation of capital are occurring more slowly in subdivisions where individualized demand for services prevails and the prospects of market expansion are not promising. This applies above all to several types of public services and repair enterprises. In addition, the complex and contradictory nature of the concentration process and the varying degree of influence of basic sectors must be taken into account. For example, although scientific and technical progress as a whole indisputably stimulates the augmentation of production units and capital, in some cases it strengthens and even revives small business (for example, laundromats, photostat services, etc.). The appeal of individualized



services and, consequently, the demand for them grow as a protest against the depersonalization of the consumer in mass-scale service and against its excessively rigid standards and dreary uniformity. In some types of services, the dynamics of concentration are also affected by historical factors of development and by changes in the consumer's scale of desires as a result of changes in his way of life. Given the general tendency toward enlargement, the significance of the flexibility, mobility and adaptability of small business in its reactions to changes in production and market conditions is just as great, if not greater.

Table 2

Percentage Accounted for by Largest Firms  
in Total Service Branch Profits, 1972

(1) Отрасли	(2) Число фирм			
	1	2	30	50
(3) Оптовая торговля . . . . .	7.5	10.5	15.1	21.7
(4) Розничная торговля . . . . .	6.0	9.0	13.5	18.9
(5) Услуги производству и населению . . . . .	1.9	3.1	6.1	10.0
(6) Гостиничные предприятия . . . . .	9.5	12.9	18.8	24.5
(7) Личные услуги . . . . .	2.4	3.7	6.0	8.5
(8) Прачечные, химчистка . . . . .	5.4	7.8	11.4	15.9
(9) Фото студии и фотолаборатории . . . . .	8.6	14.2	20.8	26.5
(10) Косметические кабинеты . . . . .	3.4	4.2	5.1	6.2
(11) Парикмахерские . . . . .	0.6	0.9	1.6	2.5
(12) Услуги бизнесу . . . . .	3.8	6.7	12.6	21.0
(13) Реклама . . . . .	13.3	22.7	38.9	51.4
(14) Обслуживание жилищно-коммунальных помещений (уборка, эксплуатация лифтов, оборудования и т. д.) . . . . .	12.4	18.0	23.8	29.5
(15) Услуги вычислительных бюро и центров . . . . .	18.4	26.9	39.4	51.0
(16) Услуги по управлению, консультационная служба и др. . . . .	5.6	8.4	13.4	19.7
(17) Прокат и аренда оборудования . . . . .	4.4	7.2	11.6	18.9
(18) Ремонт и обслуживание автомобилей, прокат . . . . .	8.7	10.8	13.4	16.2
(19) Ремонт . . . . .	1.6	2.2	3.2	4.5
(20) Прокат и аренда . . . . .	26.4	32.9	39.3	45.9
(21) Паркование . . . . .	23.8	31.8	39.7	48.7
(22) Прочие ремонтные услуги . . . . .	8.1	9.3	11.3	14.4
(23) Ремонт электроаппаратуры . . . . .	13.3	15.6	18.5	21.6
(24) Рекреационные отрасли . . . . .	7.2	11.7	17.8	23.2
(25) Кинопрокат . . . . .	19.1	26.3	34.9	41.7
(26) Услуги инженеров, архитекторов и других специалистов . . . . .	5.6	8.7	12.9	18.7
(27) Зубоврачебные лаборатории . . . . .	6.7	9.7	13.5	18.6

Key:

- |                    |                                   |
|--------------------|-----------------------------------|
| 1. Branches        | 5. Production and public services |
| 2. Number of firms | 6. Hotels                         |
| 3. Wholesale trade | 7. Personal services              |
| 4. Retail trade    |                                   |

[Key continued on following page]

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|---|--|
| 8. Laundry and dry cleaning   | 17. Equipment leasing and rental                         |
| 9. Photo studios and labs   | 18. Car rental, leasing and maintenance                  |
| 10. Beauty parlors  | 19. Repairs  |
| 11. Hairdressers  | 20. Rental and leasing                                   |
| 12. Business services   | 21. Parking  |
| 13. Advertising   | 22. Other repair services                                |
| 14. Public buildings maintenance (janitorial services, elevator operating, equipment provision, etc.) | 23. Electrical equipment repair                          |
| 15. Computer service offices and centers  | 24. Recreation   |
| 16. Management services, counseling services, etc.  | 25. Moviehouses  |
|   | 26. Engineering, architectural and other expert services |
|   | 27. Dental laboratories                                  |

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"1972 Census of Selected Service Industries. Establishment and Firm Size," Wash., 1975, pp 1-126, 128; "1972 Census of Wholesale Trade. Establishment and Firm Size," Wash., 1975, pp 1-110; "1972 Census of Retail Trade. Establishment and Firm Size," Wash. 1975, p 114.

#### Characteristics of the Concentration Process

Although the restructuring of the socioeconomic organization of service branches is governed by the same principles and displays the same general tendencies as in industry and other sectors of the economy, the distinctive features of these branches naturally leave their mark on forms of concentration.

The augmentation of capital in the service sphere is now being accomplished primarily through horizontal integration. This is quite justifiable in the presence of a multitude of small and medium-sized firms, in which case the more successful companies absorb their less fortunate rivals in the same branch or crowd them out of the market. Consideration must also be given to the fact that enterprises in most service fields, particularly retail trade and public services, represent the final stage of the production process. Their direct proximity to the final consumer places natural restrictions on the penetration of capital upward along the production vertical. Opportunities for the penetration of preceding lengths are restricted to some degree by such significant factors as the need for larger initial investments, the technical complexity of production, etc.

Nonetheless, the possibility of vertical integration is not at all excluded from the practices of big capital in the service sphere. When circumstances are favorable, it moves into any related branch. This practice is quite widespread in trade;<sup>15</sup> the owners of real estate open camping grounds, sports and tourist complexes, etc.

In any variation of concentration, however, the reinforcement of the positions of big capital is accompanied by the ruin of many small businessmen and their expulsion from a particular branch.

The local factor has a much stronger and extremely contradictory effect on the concentration of production and capital and on monopolization in this branch, in contrast to physical production. As we have pointed out, the territorial fragmentation of the demand for services gives rise to a specific form of production concentration--chains of identical enterprises. This is also the reason for several specific features of capital concentration. The relatively low nationwide indicators of this process when the production and consumption of services are territorially fixed, and the fact that the product cannot be transported can distort the actual parameters of concentration, since there could be considerable, and sometimes even polar, differences between individual local markets in this respect. For example, the 20 largest supermarket chains had a 40-percent share of nationwide commodity turnover in 1970, but the figure exceeded 50 percent in 200 metropolitan regions--that is, in the most important markets. The nationwide share of the four largest firms in this group was 20 percent, but the figure in Washington was 72 percent. The same four firms controlled grocery sales in more than half of all cities with a population exceeding 500,000, and in the 11 largest cities their share exceeded 60 percent.<sup>16</sup> Big capital in the service sphere first takes over the largest and strategically most important markets, leaving the less promising markets to their smaller competitors for the time being. In particular, this is characteristic of the movie industry, several branches of production and distribution services and the hotel sector. Even in branches with relatively low concentration (laundry and dry cleaning), the concentration of large chain firms in metropolitan areas is quite pronounced. For this reason, the regional aspect must be taken into account in any assessment of the parameters of concentration in the service sphere and in their comparison to similar indicators in branches of physical production. With a high level of regional concentration, big capital can gain monopolistic control over markets, even when general indicators of concentration on the nationwide level are relatively low.

The objectively determined territorial fragmentation of service supply and demand gives rise to the possibility of monopolization of the local market not only by monopolistic capital of a relatively small scale but, given favorable circumstances, medium-sized and even small businesses--the family store in a sparsely populated location, a small hotel, the only physician in the district, etc.

Local monopoly of this type, in contrast to economic monopoly, which is based on the concentration of production and capital, is a phenomenon that is usually strictly temporary and can easily be eradicated by the appearance of new competitors, particularly if the local monopoly is characterized by high prices and profits. From the historical standpoint and on the long-range plane, its basis will be undermined by the entire course of development of productive forces and technological progress, particularly

the development of transportation and communications. Local monopolies will also be injured by the expansion of the service sphere itself, the intensive saturation of the entire nation with enterprises and establishments of this type, the broad diversification of services and the transfer of services to locations closer to the consumer. But the opposite tendency is also apparent--the reinforcement of several factors which consolidate the local monopoly. One of these is the time factor. The intensive rhythm of contemporary life, in combination with a rise in material standards of living, unavoidably changes the scale of consumer preferences and forces the consumer who must make a choice between time and money to give priority to the former. Apparently, the proximity of small business enterprises to the consumer and the speed of service have played an important role in the preservation of small business in recent years and have heightened its competitive potential.

When we assess the results of concentration and the role of the monopolies in the service sphere, we must also consider the position occupied by the majority of services in the system of public division of labor and their direct proximity to the final consumer. As we move from the initial stages of production to the final stages, we see more intensive specialization and the fragmentation and segmentation of markets--that is, the size of each specific market is reduced and, consequently, the potential opportunities for capital of more limited dimensions to establish control over this market are broadened.

#### Characteristics of the Centralization of Capital

One of the chief means of strengthening big capital's domination in the postwar period, along with the use of internal sources of accumulation, has been its centralization. In addition to the common practices of merger and absorption, another specific form of centralization, the contract or "franchise" system, has played an exceptionally important role in the centralization and concentration of capital in many service fields in the last 10-15 years. These franchises are based on agreements on cooperative service production or on the granting of exclusive rights to the sale of a particular commodity by the owner of the commodity to other businessmen on specially agreed-upon terms, usually for a fixed initial fee and a share of revenues or profits. Although these contracts can be concluded by firms of the most varied size, in most cases this is a form of relationship between big capital and a large group of small businessmen.

Contract agreements were widely practiced even before World War II in some branches of retail trade.<sup>17</sup> In the postwar years, this form of business has undergone phenomenal growth, spreading to virtually all branches of the service sphere. It now encompasses enterprises in more than 40 branches. Between 1969 and 1976, the number of firms in the franchise system rose from 384,000 to 446,000, and their income rose from 120 billion dollars to 212 billion. The franchise network is developing most rapidly in small-scale retail trade in daily necessities, in mass catering, in real estate operations, in the hotel sector, in public building maintenance and in the recreation industry.



One objective reason for the rapid development of this system can be found in the peculiarities of the technical basis and socioeconomic organization of the service sphere at this time. As productive forces developed here, the need arose to collectivize production, but the possibility of doing this was impeded by the presence of considerable numbers of small businesses and low rates of capital accumulation. Under these conditions, the franchise, as a form of production augmentation and capital centralization, is a comparatively more adequate means of resolving this conflict, consolidating small businesses and including them in the overall, dominant structure with the aid of a mechanism which not only does not undermine the stability of the existing socioeconomic system, but even serves to preserve and reinforce it. The franchise system is in the interest of big capital, since it permits big capital to control markets quickly, with limited financial resources and minimal risk: After all, the operator invests his own money in the business and has a vital interest in the results. Moreover, the large firms usually choose their contractors carefully, offering cooperative ventures to the most experienced, solvent and active businessmen. In this way, big capital simultaneously solves problems in the sales market and in the sphere of accumulation.

Fierce competition is pushing many manufacturers into this kind of alliance in the hope of saving the "business." Many small businessmen resort to contracts under the influence of extensive advertising campaigns which extol them as a means of saving small-scale production and an example of mutually beneficial cooperation between small and big capital. In reality, the independence of the small businessman is illusory: Although the operators remain formally independent, they are actually subordinate to big capital, which regulates the basic aspects of their activity in accordance with the terms of the contract.

Big capital quickly adapted this form of relations with small business to its own needs, deriving maximum benefit from it and ruthlessly discarding it whenever it ceases to be in big capital's interest. The evolution of the franchise system in recent years provides convincing proof that it is developing in complete accordance with the basic laws of capitalism. Within the framework of these associations, a fierce struggle is going on between big and small capital, and the outcome of the struggle will depend on the correlation of their forces. A breakdown of the firms working on contracts with small businessmen in branches of production and public services and the public catering system in terms of their size testifies that just 45 patron firms, with a thousand or more enterprises each, accounted for 58.5 percent of all enterprises and 50.1 percent of all profits from operations throughout the system in 1974, and the top 95 patron firms, with more than 500 enterprises each, controlled around three-fourths of all enterprises and more than two-thirds of all profits. These data provide more proof of the stronger position occupied by monopolistic capital in spheres traditionally dominated by small business, and evidence of profound transformations in the socioeconomic organization of the service sphere. In official American statistical publications, however, small firms of this type, which are actually under

monopoly control, are still included in the independent category. In this way, the actual dimensions of monopolization in this sphere are being concealed.

Nonetheless, it is quite evident that the franchise system, even in its characteristically illusory and temporary forms, is reviving small business and attracting new entrepreneurs, most of whom would not or could not organize their own business under different circumstances.

An analysis of the processes of concentration in these branches of the service sphere indicate that this sector is also developing in accordance with the general principles governing capitalism in its highest stage, that it is traveling the same course traveled by industry and several other branches in the past and that a monopolistic structure is taking shape in this sphere and is being organically integrated as an essential link in the total socioeconomic complex. The monopoly is gaining a dominant position here as well. The facts cogently confirm the accuracy of Lenin's statement that "production concentration engendered by the monopolies is a common and basic law of the contemporary stage of capitalist development."<sup>18</sup>

As a result of the specific nature of the service industry this process is taking place at noticeably varying speeds in individual branches and is distinguished by a great variety of forms and considerable diversity of internal business organization in each branch: Gigantic monopolies in this sphere coexist, as a rule, with medium-sized and small capitalist firms and with family enterprises, making up a considerable segment of the total economic structure in a number of branches, controlling them in some cases and coexisting with them in others. But these peculiarities do not eradicate the effects of the law of concentration and monopolization.

The development in this sector of a socioeconomic structure conforming to contemporary state-monopolistic capitalism does not in any sense signify that the positions and internal stability of state-monopolistic capitalism have grown stronger. Just as in all other sectors, the concentration of capital and production in this sphere leads to an absolute and relative increase in hired labor, results in the proletarianization of the population and serves as a material basis for the further augmentation of the role of the working class in contemporary American socioeconomic development. New population groups are joining the working class and acquiring heightened class awareness. Conflicts between labor and capital are spreading to several rapidly developing branches once dominated by small business. Competition by a multitude of small enterprises is being replaced by monopolistic competition, a fierce struggle for sales markets by a few giants. In this way, the arena of competition and the struggle are being expanded and its consequences are becoming more ruinous for the remaining small businesses in this sphere. The monopolization of the sphere is resulting in some pricing modifications and is one of the significant reasons for the increase in service rates and the escalation of inflationary tendencies. All of this means the further intensification of the internal conflicts of contemporary capitalism.

# FOOTNOTES

1. "Statistical Abstract of the United States, 1977," Wash., 1977, p 829.
2. TORGOVLYA ZA RUBEZHOM, No 11, 1977, p 3; No 6, 1978, p 18.
3. "Statistical Abstract of the United States," 1969, p 761; 1977, p 836.
4. "Statistical Abstract of the United States," 1977, p 844.
5. In comparison to individual restaurants, for example, the chain association consisting of 10 restaurants might spend 5 percent less on food purchases, 10 percent less on manpower and 10-15 percent less on overhead costs. There is a corresponding increase in opportunities for higher profits. BUSINESS WEEK, 27 October 1975, p 57.
6. "Statistical Abstract of the United States," 1977, pp 829, 831.
7. "1978. U.S. Industrial Outlook. With 5-Year Projections for 200 Industries," Wash., 1978, p 457.
8. For example, the world's largest shopping center, Randall Park, which was recently opened in a Cleveland suburb, includes 6 department stores and more than 250 other trade enterprises. Its total area is 56 hectares. Adjacent territory with an area of 64 hectares is the site of hotels, a bank, administrative buildings, places of entertainment, etc. This center is expected to serve 3 million people living within a radius of 24 kilometers and other customers who come from farther away.
9. "Moody's Industrial Manual, 1977," vol 1, Wash., 1977, p 846; BUSINESS WEEK, 15 May 1978, p 60.
10. DUN'S REVIEW, August 1977, p 58.
11. BUSINESS WEEK, 18 April 1977, pp 70-73.
12. "Moody's Industrial Manual, 1977," vol 1, p 1614.
13. BUSINESS WEEK, 16 January 1978, p 113.
14. JOURNAL OF COMMERCE, 24 February 1971.
15. For example, the Safeway trade monopoly had 109 of its own industrial enterprises by the beginning of 1977, including 16 packing firms, 15 bakeries, 20 dairies, 16 ice cream factories, etc. ("Moody's Industrial Manual, 1977," vol 2, p 2782).
16. "Food Chain Pricing Activities," Wash., 1974, pp 22, 137; "Food Retailing and Processing Practices," Wash., 1974, p 45.

17. The franchise system in trade is described in detail in S. L. Komlev's article entitled "Vertical Integration in Domestic Trade" (see issue No 12 of the magazine for 1978). The discussion of franchises in this article applies to the entire group of service branches.
18. V. I. Lenin, "Poln. sobr. soch." [Complete Collected Works], vol 27, p 315.

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## MEXICO IN WASHINGTON'S PLANS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 79  
pp 50-52

[Article by P. G. Litavrin]

[Text] Mexico's northern neighbor has always caused it a great deal of anxiety and unpleasantness: In the first half of the 19th century, the United States seized part of Mexican territory; it took an active part in suppressing the revolution of 1910-1917; even after this, Washington flagrantly intervened in the domestic affairs of this country several times for the purpose of fostering its economic and political oppression. The history of these neighbors has given birth to a proverb: Mexico's biggest problem is that it is too far from God and too close to the United States.

Mexico is having difficulty in emerging from the crisis of 1976-1977, and the United States is mainly to blame for this: The American monopolies are taking colossal sums out of the country in the form of profits on capital investments; at the same time, the DMF, which is dominated by American capital, extends Mexico credit on harsh terms; the Mexican national debt totaled 21.7 billion dollars at the end of 1978, and most of its foreign currency revenues are used to cover this debt; American agricultural companies in Mexico are conducting a policy aimed at undermining national agriculture and taking the land away from the peasants. At the same time, Washington is impeding the export of Mexican products to the U.S. market by establishing high customs duties. The migration of Mexicans to the United States is a serious problem in the relations between the neighbors. Washington's unilateral actions--for example, the deportation of Mexican immigrants--are interpreted in Mexico as overt displays of unfriendliness.

For the last few years, Washington has not been in any hurry to solve a single one of the numerous problems that have accumulated in the sphere of bilateral relations. Then, during his visit to Mexico in February 1979, President J. Carter suddenly called for the establishment of friendly, "special" relations between the United States and Mexico.

The explanation for this is quite simple: At the end of 1978 and the beginning of 1979, reports began to be circulated that known petroleum reserves in Mexico amounted to 20-40 billion barrels, and potential reserves amounted to 200 billion (one barrel = 159 liters). Considerable higher estimates

were also heard. Mexico acquired a prominent place among the oil-producing countries on the strength of its quantity of known reserves. It must be said that this was not the first time the United States had taken an interest in Mexican oil. As early as the 1920's and 1930's, it was making persistent attempts to gain control over Mexican natural resources. The nationalization of the Mexican oil industry in 1938, however, dealt a perceptible blow to the positions of American oil monopolies. Washington, incensed, immediately announced that it would boycott its neighbor, attempting to deprive the Mexicans of any possibility of selling their oil on the international markets. This pressure, however, did not produce the desired results. In 1944, U.S. policy in regard to Mexican oil changed somewhat, and this was reflected in the official document entitled "U.S. Oil Policy." It recommended that the resources of the Western hemisphere be held in reserve, as they were "accessible to the United States," and that efforts be aimed chiefly at the guarantee of American control over the raw materials of the Eastern hemisphere.

Washington adhered to this strategy until quite recently, but events in the Middle East and Iran and the quite "timely" news about the discovery of huge reserves of oil and gas in neighboring Mexico brought about a drastic change in Washington's position. The possibility of acquiring maximum access to Mexican oil on the most convenient terms began to be considered.

These plans, however, immediately met with serious complications. All oil and gas production and sales in Mexico are controlled by Pemex, a national company. Moreover, Mexico takes a unique stand on questions connected with the exploitation and export of its natural resources. Although its reserves of oil and gas could help it pay off its debts quickly, sharply increase foreign currency revenues and make use of other possibilities created by an oil boom, the Mexican Government decided against any dramatic increase in oil production. It announced its intention to conserve resources and to take its time in the utilization of all new opportunities in order to avoid the unproductive expenditure of export revenues. In connection with this, the oil production figure proposed for 1980 is not 5 billion barrels a year, as the United States had hoped, but 2.25 billion, of which only 50 percent will be exported.

In spite of this, Washington--taking long-term prospects into account--is obviously wary of resorting to any kind of action that might be interpreted in Mexico as an attempt at the exertion of pressure. "The United States' efforts to achieve maximum oil production in Mexico instead of its balanced development," BUSINESS WEEK cautions, "would be harmful, as they would escalate social and political tension."

Washington's more cautious course in relations with Mexico--again, with consideration for long-term prospects--is also dictated by the increasingly important role assigned to Mexico, not only in the Latin American policy, but also the global policy of the United States. This was a result of Mexico's increased international prestige as one of the leading developing countries advocating a new economic order, its desire to establish in Latin America the principles of equality and nonintervention in the domestic

affairs of other countries, and its resolute condemnation of reactionary regimes supported by Washington (Mexico has severed relations with Chile and has taken a sympathetic view of the Nicaraguan people's struggle against Somoza). Washington is also extremely disturbed by the expansion of Mexico's contacts with other countries. It is buying some of its drilling equipment from CEMA countries, including the USSR, and is increasing its trade turnover with the European capitalist countries. Pemex has signed contracts for oil shipments to France and Canada and is negotiating with Japan. Its political contacts are also growing broader: in March, French President Giscard d'Estaing visited Mexico; Mexican President L. Portillo was recently in the Soviet Union on an official visit.

This entire set of factors lay at the basis of the U.S. National Security Council's recommendations that President Carter, who was preparing for his trip to Mexico, display caution and flexibility, so as to establish "special" relations with this southern neighbor and "not antagonize" it.

In American ruling circles there is the opinion that Mexico "has no one else to turn to anyway," since its economy has been firmly linked with the U.S. economy for a long time. American experts stress, in particular, that the United States provides Mexico with 70 percent of its petroleum equipment, that it accounts for 60 percent of all Mexican imports and 70 percent of its exports, and that the United States is also quite far ahead of its competitors in terms of its level of capital investments in Mexico (more than 3 billion dollars). This leads to the conclusion that the geographic proximity of Mexico and the scales of American economic and political influence still make it impossible for any power to compete with the United States, including competition for Mexican oil.

In spite of this, the results of President Carter's visit proved that Washington already has to consider Mexican interests and views much more than ever before. For example, the American side agreed to the inclusion in the joint communique of statements on nonintervention in domestic affairs as a governing principle of international relations, and the recognition of the right of each country to control its own natural resources and use them for the purpose of socioeconomic development. Besides this, Washington is evidently giving in to the idea that Mexico should be attached even more firmly to the United States and "not antagonized."

This is also corroborated by the agreement that was reached on the organization of consultations on several aspects of bilateral relations (in particular, R. Askew, the head of the Commission on Immigration Policy, created by the U.S. Congress, is to meet with Mexican President L. Portillo to discuss the question of Mexican immigrants).

As for the specific issue of the "oil problem," President L. Portillo made it known that Mexico will insist on the resolution of the entire complex of economic relations with the United States and intends to take advantage of the United States' interest in Mexican oil to force Washington to cancel

all restrictions on the accessibility of the American market to Mexican industrial and agricultural products.

Nonetheless, this new-found "flexibility" in Washington's policy and its declared willingness to establish "special" relations with its southern neighbor do not exclude the possibility of further attempts to exert pressure on Mexico with the aid of various, primarily economic, means.

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## LAWYERS AND SUPERLAWYERS

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 79  
pp 52-57

[Article by V. N. Gaydenko]

[Text] One of the jokes currently making the rounds in America is about a man who gets run over by a car. When witnesses to the accident start crowding around the victim and yelling "Quick, get a doctor!", the man opens his eyes and corrects them: "First, a lawyer."

This simple anecdote accurately reflects the reality of American society, in which the figure of the lawyer is always present on all levels of social relations. "We have the highest concentration of lawyers in the world," President J. Carter said when he spoke to members of the Los Angeles County Bar Association in May 1978. "We have one lawyer for each 500 Americans. This is three times as many as in England, four times as many as in West Germany and 21 times as many as in Japan." Nonetheless, the President added, "I am not certain that we have more justice."

Indeed, it would be impossible to disagree with this. The actions of the U.S. legal machine are largely aimed at the augmentation of private property under cover of the law--whether it is a suit brought against a neighbor for damages or a complicated case involving relations between monopolies and tax agencies, in which case the right verdict could mean multimillion-dollar profits. There are few who believe that justice triumphs at the end of a trial. "At the heart of Anglo-American jurisprudence," famous American lawyer A. Pomerantz says, "lies a competitive system, in which justice and truth are determined as a result of the collision of two opposing views. It is not truth that wins out, but the most expert pettifoggery."

The verbal contests and intellectual confrontations of the attorneys of litigant parties sometimes make American court sessions truly theatrical dramas. The conflicts acted out in courtrooms have served as subject matter for many works of fiction, plays, movies and television programs. For many years, for example, a series called "Divorce Court" was an extremely popular show on one of the national television networks, and each week TV viewers held their breath and saw the clever way in which that week's attorney kept one of the spouses from making a fool of the other in regard to the division of property or the size of alimony payments.

Lawyers regulate not only the relations between individual citizens but also the relations between citizens and the government. Each spring, just before the deadline for the submission of personal income data to the Internal Revenue Service for tax purposes, there is a strong upsurge in the activities of a broad network of law firms which (naturally, not for purely unselfish reasons) help their clients to fill out the official tax form in such a way as to use all "legitimate" loopholes for tax deductions.

In its attempt to preserve the existing system, the bourgeois government is intervening more and more actively in the principal spheres of public life, including those which were regulated by custom and tradition only a few decades ago. Legislators on all levels mechanically pass laws by the thousand. The number of legal acts promulgated by federal agencies sometimes reaches 35,000 a year. Lawyers must interpret this massive quantity of normative acts.

In the last 15 years, the number of lawyers in the United States has risen from 296,000 to 462,000. Enrollments in law colleges have more than doubled in this time (from 54,000 to 126,000). Each year the legal profession is supplemented by more than 32,000 graduates of American universities.

What is the reason for the appeal of the legal profession, in spite of the high cost of education? By 1980, for example, 1 year in the prestigious law school of Harvard University is expected to cost the student a tidy sum--more than \$9,000. When the students here were polled to learn their reasons for enrollment, most of the responses fell into two basic groups: the desire for a substantial income, prosperity and the respect of one's fellow citizens; and the possibility of serving the public and entering politics.

The tradition of active participation by lawyers in political life is not a purely American phenomenon and stems from the class character of the legal profession in the capitalist society. In other bourgeois states as well, during the earliest stages of their development the legal profession was already actually monopolized by the ruling class, which was fully aware that bourgeois law was the instrument of the political supremacy of this class.

The position of interpreter and executor of the laws gives an individual definite status in the society and real political power. The social and ethnic composition of the American legal profession, which is determined by opportunities for specialized education and subsequent job placement, is not in the least comparable to the social and ethnic structure of the U.S. population. Only 20 of the 525 federal judges are black or Spanish-speaking Americans; only 27 of the 11,370 partners in law firms with Harvard Law School graduates on their staff are black (0.24 percent!).

Many of the "founding fathers" and writers of the American Constitution were lawyers: T. Jefferson, J. Madison, J. Blair, W. S. Johnson, G. Morris, J. Ingersoll, J. Wilson and others. The Constitution itself, which established a strong central authority but simultaneously reserved the right to a certain amount of political independence for the states, which was intended to prevent

a revival of absolutism but ignored the question of elementary bourgeois democratic freedoms, which restricted the powers of the three branches of government but envisaged the possibility of the overlapping of these powers by means of the system of "checks and balances"--this very Constitution was not only the result of heated debates by the participants in the Constitutional Convention of 1787, but also the product of their legal expertise. The designation of the judiciary in Chapter 3 as part of the system of divided authority in itself predetermined participation by lawyers in political life. Later, the political role of the courts expanded beyond the framework of the formal legal boundaries outlined in the Constitution. It is a well-known fact that the courts in the United States assumed the prerogative of overseeing administrative and legislative activity by interpreting the Constitution and the laws in specific cases.

In fulfilling its class function, the American legal repressive machine persecutes progressive forces on a broad scale, as the very existence of these forces is seen as a threat to the established order. Political repression has become an integral feature of life in the United States. As we know, the world public was moved to protests by the unwarranted imprisonment of the "Wilmington Ten," the "Charlotte Three," Assata Shakur and the "hundreds and perhaps even thousands" of political prisoners referred to by A. Young, U.S. representative to the United Nations.

But the political role of lawyers in the United States is not limited to their activity in the courts. Of the 39 U.S. Presidents, 24 were lawyers by education and by profession. In the 96th Congress, 275 of the 535 members had been lawyers in the past (moreover, 65 percent of all the senators are lawyers). The activities of executive branch agencies and the congressional system would be inconceivable without active work by numerous lawyers, including some in key positions. Even the operational procedures of the machinery of state and some of the terms used in this field have been adopted from legal proceedings. The passage of most laws is preceded by hearings in congressional committees which do not differ in form from hearings in a criminal trial; the speakers at these hearings are called witnesses, and their reports are called testimony.

The role of lawyers in the workings of the political power of monopolies is not only determined by their place in the government power structure. The economic wealth of corporations is used to influence the legislative process in their favor. In this case, "Washington lawyers," or as American journalist J. Goulden calls them, "superlawyers," act as middlemen between big business and government.

The origination of law firms in the American capital, specializing in legal relations between business and government, was connected with the development of state-monopoly processes during World War I. The oldest firm of this kind, Covington & Burling, was established after World War I and is still flourishing, with 190 lawyers on its staff. But the image of the firm has not been conditioned by the size of its staff, but by the nature of

its clientele. Its clients include around 20 percent of the "top 500" U.S. monopolies.

This kind of clientele has also guaranteed the financial success of other large law firms in Washington, such as Ahrent, Fox, Kintner, Plotkin & Kahn; Wilmer, Cutler & Pickering and others. Goulden's book, "The Superlawyers," cites an indicative statement by a staff member on one of the Senate's committees: "When Lloyd Cutler (a partner in a large law firm--V.G.) stood at my desk, I did not see him as an attorney, but as an emissary of General Motors. If you know that his words are backed up by 40 billion dollars, his voice acquires great strength."

When they represent the interests of monopolies in government agencies, the "Washington lawyers" naturally come into conflict with the public interest. From the standpoint of the monopolies, however, they justify their existence by using legal maneuvers to cleverly avoid conflicts with the law.

The administrative procedure act of 1946 actually turned each regulative agency into a mini-court, which, in the absence of a single set of standards, settles every dispute that arises. This is where the abovementioned peculiarity of Anglo-American jurisprudence, according to which the outcome of the matter depends on the expertise of the attorney, comes into play. Naturally, the monopolies do not balk at paying the cost of hiring "superlawyers" to protect their interests.

In 1977, American corporations spent 24 billion dollars on legal services--12 times as much as the federal and local courts combined.

The annual salaries of partners in even the small law firms serving big business amount to 100,000-300,000 dollars. Legends have grown up around the fees of the "superlawyers." According to one of them, a company in the Midwest turned to C. Clifford, the patriarch of the Washington superlawyers, for advice on the measures it should take in connection with the preparation of a tax bill. A few weeks later, Clifford replied "no measures" and sent the company a bill for 20,000 dollars for services rendered.

"There are no secrets in Washington," says T. Corcoran, another elder of the super lawyer clan, "but it is possible to learn about something 3 hours before everyone else knows it. Our job is to give our clients these 3 hours." Timely information, acquired on the strength of the Washington law firms' close contacts with government circles, often turn into a solid profit for their clients.

The services performed by these firms for their monopolistic clientele include the most diverse aspects of business' interrelations with the government--from the defense of corporations which have violated antitrust legislation to the attainment of authorization to sell a new medicine or to export weapons. In connection with the global nature of the activities of multinational corporations, the Washington law firms are involved to some extent in U.S.



foreign policy actions. Sometimes their clients include foreign governments with interests in the United States.

One of the signs of recent times has been the narrow specialization of law firms. In accordance with the established guidelines for state-monopoly regulations in Washington, new firms are being opened to specialize in such fields as energy, conservation, consumer issues, labor legislation, etc. The most highly skilled group of superlawyers work in the field of tax legislation. Any decision in favor of their client in tax matters promises the monopolies a perceptible and instantaneous profit.

Sometimes the Washington lawyers take on obviously hopeless cases, using the tactic of procrastination to create the best possible conditions for their client. For example, Covington & Burling protested the Food and Drug Administration's decision to ban the sale of novobiocin, the harmful effects of which had been proved by experts in the National Academy of Sciences, and took the case all the way to the Supreme Court. The Supreme Court upheld the previous decision, but the process of appealing on all levels took 17 months, during which time the harmful medicine remained on the market, earning the Upjohn Company 1.5 million dollars a month.

For quite obvious reasons, the most valuable Washington lawyers are considered to be those who are acquainted with the workings of the machinery of state through personal experience and who know which buttons and levers must be pushed to set the machine rolling in the necessary direction. The continuous exchange of personnel between federal agencies and the boards of monopolies is accompanied by the exchange of personnel between these agencies and the Washington law firms.

After R. Nixon was elected to the presidency in 1968, the business of the New York law firm Mudge, Rose, Guthrie & Alexander grew by leaps and bounds and its branch in the capital had to be enlarged. The firm's assets included the names of two other partners which had been deleted from the name of the firm: Nixon and Mitchell--the President and the attorney general. Nixon took two other employees of the firm, L. Garment and T. Evans, along with him to the White House. But the migration flow is more often in the opposite direction. In his monograph, N. G. Zyablyuk cites data for 1969 on the number of law firm partners who once worked in government institutions. Here we find 27 individuals from the Congress (including six members of Congress), 10 people from the White House staff, 20 from the Department of Justice (including the secretary), 6 from the State Department, 6 from the Securities and Exchange Commission and so on and so forth.

Today this information can be supplemented with the names of many other people who came to law firms from prominent positions in government: W. Colby, former CIA director (now senior partner in the firm of Colby, Miller & Hines); former Senate Minority Leader H. Scott; former legal adviser to President Ford, P. Buchen; former Assistant Attorney General L. Silberman; former Secretary of Transportation W. Coleman; former Assistant Secretary of

the Treasury for International Affairs J. Parsky; former Chairman of the Federal Trade Commission L. Engman; former Senior Vice President of the Export-Import Bank F. Mainikes; etc. These and many other former government officials now serve as the Washington representatives of large law firms located in other American cities.

The harm incurred by society as a result of these practices is so self-evident that President J. Carter had to ask all of the officials he appointed to positions of leadership in government to promise to refrain from any kind of contact with their agencies for 1 year after their retirement (which does not exclude the possibility of contacts with other government agencies).

Solid firms like Covington & Burling strive to preserve their reputation by not bringing any partners into the firm directly from government service. This does not mean, however, that there are no direct contacts between federal agencies and law firms on the level of rank-and-file lawyers. The lawyers who work for federal regulative agencies are wooed away from these agencies by law firms, literally by the hundreds each year. Prestigious law schools serve the firms as another source of new rank-and-file employees. The firms' representatives go to these schools to scout out the most promising students and then call them in for an interview, paying their traveling expenses and putting them up in first-class hotels. "Around November or December," American journalist J. Seligman writes, "the second- and third-year students in faded jeans suddenly disappear and reappear as suntanned young men in stylish Brooks Brothers suits with charge accounts at the best French restaurants."

This is how highly qualified lawyers are recruited in advance and are conditioned to perpetuate the situation discussed by President J. Carter in the speech mentioned at the beginning of this article: "Powerful white-collar criminals are cheating the consumers out of millions of dollars; government officials are abusing their high position.... But too often these high-level swindlers escape the deserved consequences of their actions."

There are various opinions as to Carter's motives for making such harsh statements about the U.S. legal system. One of the reasons is thought to be the President's desire to increase his popularity and strengthen his own position. It is no secret, after all, that his victory in the 1976 election was partly due to two facts that he stressed repeatedly during his campaign: The fact that he was not part of the Washington bureaucracy and the fact that he did not belong to the lawyer clan.

The periodic disclosures of antisocial activity on the part of high-level lawyers and even just the facts of daily American life have created a firmly negative attitude in the American public mind toward those who make, enforce and interpret the laws in favor of a tiny minority. Public opinion polls indicate that lawyers represent one of the least popular social institutions. And this is not surprising. Monopolistic capital, sensing its omnipotence in contemporary American society, is shamelessly putting the science and practice of law at the service of its own selfish interests.

## ASPECTS OF THE FOOD PROBLEM AND THE UNITED STATES

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[Article by V. F. Lishchenko and Ye. N. Vasil'yeva]

[Text] The problem of supplying the world's population with food is among the most urgent problems of the present day, which are being given the most careful attention by scientists and specialists. According to various expert estimates, from 460 million to 1.03 billion people in the capitalist world and in most of the developing countries (or from 12 to 25 percent of the total world population) are starving or suffering from illnesses connected with malnutrition.<sup>1</sup> The situation is even worse with respect to the quality of food. Scientists cannot even determine, for example, the scales of the shortage of such an exceedingly important component of the human diet as protein. They hypothesize that around 2 billion people, or half of the world population, are not eating enough protein, which has a negative effect on labor productivity and the human lifespan. Protein shortages have a particularly ruinous effect on the mental and physical development of children.

An analysis of tendencies in the development of the food problem in the first half of the 1970's indicates that food production and the international trade in foodstuffs are beginning to play an increasingly important role, not only in international economic life but also in the foreign policy of many countries. A special place here is occupied by the United States, which has long occupied key positions in the international market in terms of exports of a number of major agricultural commodities (fodder grain, soybeans and wheat).

A comprehensive analysis of the food problem will first require that the scales of this problem be determined. Paradoxical as it may seem, there is not enough information as yet in regard to the scales of hunger and malnutrition in some huge regions of the world. There is no universally accepted set of methods and no agency to collect and process this information, there are no reliable or efficient channels for advance notification of the state of agricultural crops, the national and regional peculiarities of food consumption have hardly been studied at all, etc. The blame cannot be

assigned only to statistics, but also to the developmental level of nutritional science in many countries. This science is still experiencing difficulty in establishing rational nutritional standards for various living conditions and types of human activity, it does not have enough data at its disposal in regard to the content of nutritional elements in various products and the degree of their assimilation by the human organism, etc. All of this forces us to take an extremely cautious approach to existing information and to the conclusions of various foreign authors.

More than 100 national and international research institutes, organizations, private and semiprivate foundations, commissions and special programs have been established for the study of these and many other aspects of the food problem in the last 20-30 years and are presently functioning. In our opinion, the most authoritative organization studying this problem within the UN framework is the Food and Agriculture Organization (FAO).

According to the latest FAO survey, describing the food situation in the world during the period between 1961 and 1976, progress has been made in the development of agriculture as a whole and the acceleration of the growth rate of food production. The rate of increase in the world growth food product, which averaged 2.7 percent between 1961 and 1970 and 2.4 percent between 1970 and 1976, stayed ahead of the rate of population growth, which rose by 1.9 percent a year during this period. There is no question that this is a promising indicator. It assigns positive value to the state of world agricultural development.

At the same time, it must be said that the rate of increase in per capita food production is constantly decreasing: from 0.8 percent between 1960 and 1970 to 0.5 percent between 1970 and 1976.<sup>2</sup> Moreover, these general, aggregate indicators and figures conceal the extreme variance in food supply levels in different regions and countries. These differences are particularly apparent when we examine the situation in the industrially developed nations and the developing countries.<sup>3</sup> For example, whereas the growth of per capita food production in the developed nations averaged 1.4 percent between 1961 and 1976, the indicator for the developing countries was only 0.3 percent between 1970-1976.<sup>4</sup>

The state of the food supply in different countries and regions and the level of agricultural development in general depend on the nature of agrarian relations, on the course and degree of the development of productive forces as a whole and on several other fundamental economic, social and political factors. The authors of this study do not intend to analyze the effects of these factors; they hope to describe only a few aspects of the food problem, including the situation in the international food market and the United States' attempts to use its position in this market as one of the chief instruments of its foreign policy.



As for the situation in the developing countries, the level of agricultural development and the food supply differ widely in these countries. The "epicenter of poor nutrition" in Asia consists of Bangladesh, Afghanistan, Pakistan, India, Benin, Sri Lanka, North and South Yemen and Kampuchea. With respect to the most highly populated country--the PRC--we can only say that no exhaustive information about its food supply and its participation in international trade is available.

In Africa, the situation is virtually catastrophic in the entire group of countries south of the Sahara. In those countries, there has been a general decline in the growth rate of food production, from 2.7 percent in 1960-1970 to 1.2 percent in 1970-1975, and, as a result, a decline in the corresponding per capita indicator from 0.1 percent to a negative figure (-1.4 percent) during the same period.<sup>5</sup>

The indicator of food supply levels in all of these countries is far below the scientifically recommended norm in terms of calories and in terms of protein content. According to FAO estimates, the average energy requirements of the inhabitants of industrially developed countries are approximately 3,000 kilocalories a day and the figure for the developing countries is 2,284.<sup>6</sup> In reality, the per capita average in 61 of the 97 developing countries is less than 2,284 kilocalories.<sup>7</sup> For example, people in the African countries and the Far East daily consume an average of only 2,110 and 2,040 kilocalories respectively, which testifies to the chronic malnutrition of tens of millions, or even hundreds of millions, of people in these regions.<sup>8</sup> The problem of protein consumption in the African, Asian and Latin American countries is even more acute. Data on protein consumption in various regions testify that the majority of the population in the developing countries has virtually no protein supply. Per capita protein consumption in these countries was 54 grams a day at the beginning of the 1970's, or only 57 percent of the per capita protein consumption in the industrially developed countries.<sup>9</sup> The lowest level of protein consumption is found in the Far East. Moreover, in this region, just as in other developing countries, there is almost no animal protein in the diet, although this, as we know, is of more biological value for the human organism.

Particular mention should be made of the study begun in recent years to investigate differences in food supply levels of people engaged in agricultural and non-agricultural labor, unemployed and part-time employed individuals, various population categories grouped according to real income levels, etc. Available data indicate that striking contrasts exist even in the developed capitalist countries. In this way, the "average" food supply level only camouflages the profound differences between the consumption patterns of various population strata and groups. For example, even in the United States there is a large segment of the population which can be classified as hungry; an even larger segment constantly suffers from a shortage of several essential nutritional elements.

Most researchers of the food problem believe that the most important source of food for man and the foundation of national food systems are still grain and grain products. Before we elucidate several aspects of the food problem, it will be necessary to discuss precisely this category of foodstuffs in



greater detail. According to the estimates of the U.S. Department of Agriculture, the energy requirements of the human organism, on the world-wide level, are 50-percent satisfied through the consumption of grain products. The indicator for the developing countries, however, is 61 percent.<sup>10</sup> Therefore, the dramatic exacerbation of the food problem in the world in the beginning of the 1970's was primarily caused by fluctuations in the production of this major type of food.

According to FAO data, basic tendencies in grain production between 1961 and 1976 were the following: Grain production annually increased by 3 percent (on the average) in the industrially developed countries in the 1970's. In most of the developing countries, however, where grain products play the deciding role in the national diet, the opposite tendency was seen. For example, in the group of countries categorized by the FAO as those suffering "particular deprivation" during the food crisis of 1972-1974, average annual rates of grain production growth declined from 3.9 percent in the 1960's to 2 percent in 1970-1976.<sup>11</sup> One particularly negative indication is the steady tendency toward reduction in grain production in the African countries.

In connection with our examination of grain as the chief source of food for the human being, we must mention the sharply increased demand for grain in recent years in the developed and developing countries, which has been due to population growth and to qualitative changes in consumption patterns.

The general rise in the standard of living and income of the population has led to the increased consumption of animal husbandry products in many countries, primarily the industrially developed nations. In turn, this tendency has stimulated the development of animal husbandry and has not only resulted in the augmentation of the herd, but also to the intensification of animal husbandry branches and their transfer to an industrial basis, which has sharply increased the amount of grain used in livestock and poultry fodder. This is a fundamentally new tendency in world agriculture. Its scales are truly gigantic: According to FAO data, at present around 500 million tons of grain, or approximately one-third of all grain produced in the world, is annually used for foraging purposes.

This change in consumption patterns is apparently of an irreversible nature and will become even more pronounced as the public standard of living rises, not only in the industrially developed nations, but also in the developing countries. There is no question that this will have an effect in the future on the volume and structure of grain production and the supply of grain in the world food market. This phenomenon has not been thoroughly analyzed by specialists as yet, but it is already clear that there will be more intense economic and political struggle over this.

The following information can serve to illustrate the current situation.

At the beginning of the 1970's, the annual per capita grain consumption in Canada and the United States was 800 kilograms, of which only 90 kilograms went directly into the human diet, while the rest of the grain was mainly used for fodder. In the developing countries, however, average per capita grain consumption was around 227 kilograms, and almost all of this grain went directly into food. On the whole, the proportion of the grain used to feed livestock rose in the industrially developed countries from 62 percent at the beginning of the 1960's to 72 percent in 1972-1974. In the United States and Canada, which had always been the leaders in the use of grain for foraging needs, this indicator reached 88 percent. In the countries categorized as developing states, however, the proportion of the grain supply used in animal husbandry was always quite low (around 12 percent) and has not changed considerably in recent years. Between 1972 and 1974, an average of 659 million tons of grain were annually used throughout the world for nutritional needs and 491 million tons were used to feed livestock.<sup>12</sup> In the developing countries, these figures were 499 million and 75 million tons respectively.<sup>13</sup>

These data provide more evidence of the severity of the food problem in the developing countries. The search for solutions to the problem is being complicated by the fact that the economies of most of these countries are distinguished by an extremely low level of development in productive forces, a multiple structure, the prevalence of semifeudal production relations in many branches of production, particularly agriculture, and a high percentage of manual labor. The poverty of the agrarian population and the small amounts of funds allocated by the state for agricultural development complicate the introduction of the latest scientific and technical achievements, the replacement of manual labor by machines, the use of fertilizers, the irrigation of land, etc. In 1970, for example, only 15 percent of all worldwide government expenditures on agricultural research were accounted for by the African, Asian and Latin American countries.<sup>14</sup>

The growth of agricultural production as a whole in the developing countries was accomplished mainly through the enlargement of sown areas with a slight rise in productivity and great dependence on climatic conditions, which have fluctuated considerably in recent years. In the developed countries, however, production growth continues almost entirely as a result of its intensification and the implementation of several measures to reduce its dependence on the weather. As a result, the differences between harvests in various countries have increased particularly rapidly during the last 15 years. The yield of grain in the developed countries, for example, was already approximately 2.5 times as great as in the developing countries in the mid-1970's (on the average).

Many Western economists and politicians place great hopes in the "green revolution," which led to a slight rise in the productivity and gross yield of grain in some developing countries as a result of the use of new, highly productive strains of wheat and rice. But the history of the way in which the possibilities of the "green revolution" were used in agriculture in the

developing countries only confirmed the fact that no innovations can be successful unless the burdensome colonial heritage has been eradicated from all spheres of life and from the economies in these countries. It was precisely the archaic system of land tenure and the underdeveloped economies in these countries that impeded the implementation of technical equipment, the use of fertilizers on the necessary scales, the application of the achievements of genetics and selection, the construction of irrigation systems, etc.

The neocolonialist methods used by the developed capitalist states to exploit these countries, according to which the narrow specialization of agriculture plays an important role, are making it extremely difficult for these countries to satisfy their own need for food products and are increasing their dependence on imported foodstuffs.

The deepening rift between the levels of agricultural production in the industrially developed and developing countries and the changes in patterns of grain consumption in the world have considerably expanded the scales of the international trade in grain and other agricultural products.

According to FAO estimates, the average annual volume of world trade in agricultural products increased, in terms of cost (in current prices), from 35.2 billion dollars (1956-1960) to 113.2 billion (1971-1975). In recent years, the volume of trade has continued to grow and the figure reached 138 billion dollars in 1976. The grain trade has expanded substantially. According to FAO estimates, the volume of this trade<sup>15</sup> in fiscal year 1976 amounted to 152 million tons (161 million in 1975), or 3.6 times as much as at the beginning of the 1950's.<sup>16</sup> Grain imports began to play a significant role in worldwide grain consumption: Whereas it accounted for 10 percent of total consumption in the beginning of the 1960's, the figure had risen to 16 percent in 1976.

The general growth of world trade in agricultural products was accompanied by the following trends in the world food market, which has largely determined current U.S. strategy in this market: First of all, the trade in fodder grain is developing quite rapidly in the total grain trade, which, as we know, makes up the major portion of world food exports. For example, whereas average annual wheat exports were 2.4 times as great in 1970-1974 as in 1950-1954 and amounted to 64.7 million tons (the figure was 63.5 million in 1975 and 67.1 million in 1976), world exports of fodder grain increased 4.3-fold and amounted to 65.6 million tons. These exports continued to grow in 1975 and 1976, reaching 87.6 million tons and 85 million respectively. In the second place, the international trade in agricultural goods began to play an important role in attempts to alleviate the food shortage in the developing countries of Asia, Africa and Latin America. Suffice it to say that the negative balance of these regions in the international grain trade increased from an average of 1 million tons a year in 1950-1951 to 33 million in 1969-1971 and to 50 million in 1975-1976. According to some estimates, the developing countries are expected to become even more dependent on grain imports by 1985, when these might exceed 80 million tons.

At this time, the position of the United States, as the leading exporter of agricultural products (including grain) in the international market, grew much stronger. In spite of the general deterioration of U.S. positions in world trade (the U.S. share in world exports declined from 18 percent in the first half of the 1950's to 12 percent in the first half of the 1970's), the U.S. share in world trade in agricultural products increased from 12.3 percent to 16.4 percent during the same period. Moreover, the United States' position became particularly strong in the chief grain market--the fodder grain market: Its share of this market rose from 28 percent in the first half of the 1950's to 55 percent in 1976.<sup>17</sup>

The complication of the situation in the food market in 1972-1974, which was due to natural calamities in several parts of the world, and the rise in world prices on agricultural products stimulated a sharp increase in American agricultural exports, primarily exports of grain. In terms of cost, agricultural exports from the United States increased (in current prices) from 7.7 billion dollars in 1971 to 22 billion in 1974. In subsequent years, exports continued to grow and they reached a new record level in fiscal year 1978--27.3 billion dollars.<sup>18</sup> Average annual grain exports from the United States rose from 37.9 million tons (1969-1971) to 73.4 million (1973-1976). During this time, the United States accounted for 82 percent of the increase in total world exports, including 90 percent of the increase in wheat exports and 78 percent of the increase in fodder grain exports. In the 1978 fiscal year, exports of agricultural products from the United States totaled 122.3 million tons, including more than 30 million tons of wheat and wheat flour, around 50 million tons of fodder grain and more than 15 million tons of soybeans. The United States accounted for 42 percent of world wheat exports, 57 percent of fodder grain exports and 50.3 percent of exports of oil-bearing crops.<sup>19</sup>

The American agroindustrial complex is based on highly developed grain farming, which has generally developed more rapidly than other branches of agriculture in the last half-century.

The United States owes its position as the leading producer and exporter of foodstuffs to its vast expanses of fertile land, located primarily in areas with a mild climate and good precipitation, to the use of the latest scientific and technical achievements in production and to a high level of production organization. Other increasingly important factors are the general high levels of material and technical supply and agroindustrial integration in U.S. agriculture. Although the United States has achieved considerable success in the area of agricultural production, it has not been able to solve many social problems in this sphere. The differences between farmers are just as acute as in the past: The rich become richer and the poor become poorer. Small-scale and even medium-scale farming enterprises are still being driven out of business. The farmers must constantly fight against banking and industrial capital for their share of produced value. It is quite significant that long columns of farmers riding tractors have made their way to the U.S. capital from all parts of the nation for three winters in a row. This is one of their forms of protest and organized struggle for their rights.



On the whole, the developmental level of American agriculture and all branches of the agroindustrial complex can be judged from the following indicators. According to official American data, the 1977 harvest in the United States produced 261.6 million tons of grain (including 161.8 million tons of corn and 55.1 million tons of wheat), 46.7 million tons of soybeans, 3.1 million tons of cotton (fiber) and 24.6 million tons of fruit (including citrus); the United States produced 23.2 million tons of meat (including 17.8 million tons of beef), 55.8 million tons of milk and 64.8 billion eggs.<sup>20</sup>

The output level of the major types of agricultural products allow the United States to not only fill the need of its own domestic market, but also to export a considerable portion of these products. In the first half of the 1970's, average annual exports amounted to 59 percent of the wheat produced in the nation, 51 percent of the soybeans and rice, 36 percent of the cotton and tobacco, 21 percent of the corn and 25 percent of the sorghum grain.<sup>21</sup>

There were specific reasons for the sharp increase in exports of American agricultural products in the 1970's. The policy of holding down agricultural production, which was conducted in the United States for more than 40 years, the payment of subsidies to farmers for growing less wheat, fodder grain, cotton and several other crops, and the purchase of "surplus" agricultural products on the market by the government were mainly intended to stabilize the food market within the nation and strengthen the position of large capitalist farms. This policy was obviously a costly one, it had both positive and negative effects on the domestic market and it was repeatedly subjected to critical analysis, including criticism in Soviet economic literature. Here we would like to examine the long-range consequences of this policy, particularly at times of acute food shortages in the world market (as was the case, for example, in 1972-1974). In connection with this, we feel that the following is of particular interest:

At the beginning of the 1970's, the American Government and the largest U.S. companies trading in grain had large grain reserves at their disposal. For example, U.S. grain reserves in fiscal year 1972 amounted to 68.9 million tons, or, according to some estimates, approximately 42 percent of world reserves.<sup>22</sup> When the world food supply became critical in 1972-1974, these stocks permitted the United States to quickly increase exports of American agricultural products. In this way, the United States not only gained substantial export revenues from the food trade, which assisted in reducing the deficit in its balance of payments, but also created the necessary conditions for the further reliance of importing countries on American exports.

Subsidies and other sums paid out of the federal budget to stabilize the market for agricultural products made it possible for American farmers to technically re-equip their farms and promoted the accumulation of production capacities in agriculture, the intensification of production and its concentration on the largest and most efficient farms. At this time, the



government stimulated the development of the infrastructure in agriculture, the construction of storage facilities and grain elevators and aided in establishing a more efficient system for the shipment of agricultural freight.

The policy of limited production made it possible to carry out several land reclamation measures, which aided in restoring and increasing soil fertility. Areas withdrawn from use in accordance with various federal programs totaled 25 million hectares some years. The cancellation of government restrictions on plowing in 1973 made 20 million additional hectares of land available for farming in 1973-1975 and quickly produced a dramatic increase in grain production. The effect of this federal measure on the production of export goods was self-evident. Suffice it to say that it was precisely at this time that the area used for growing export products was augmented by almost 15 million hectares and totaled 40 million hectares in 1975,<sup>23</sup> which represents around 30 percent of all sown area in the United States.

The agricultural legislation of the 1970's also gave farmers some freedom of choice in the composition of grain fields, which gave American farming greater flexibility with respect to quick reactions to fluctuations in demand in the world market and promoted changes in composition in line with export expansion.

According to the estimates of American economists, the incorporation of the latest achievements of agricultural science and technology and the complete utilization of all available plowland could lead to a noticeable increase in the output of fodder grain and wheat by 1985--30 percent greater than the 1975 output.

An important feature of the preparation of American agriculture for expansion in the foreign market was the emphasis on corn, sorghum grain and soybeans in American farming. On the whole, the proportion accounted for by such major fodder crops as corn, sorghum and soybeans in total grain and legume production in the United States increased from 57.2 percent in 1946-1950 to 72.8 percent in 1971-1975, with a simultaneous increase in the average annual output of all these crops from 81.2 million tons to 195.5 million.<sup>24</sup> This kind of specialization made the United States the country with the most promising structure of exports, calculated for markets in the developed nations and, in the future, the developing countries with the highest per capita national income levels. Representatives of the U.S. Department of Agriculture believe that great potential capabilities for the expansion of export markets for American agricultural products lie precisely in shipments of grain and other concentrated feeds for the development of animal husbandry in the developed nations, and not in shipments of foodstuffs. It is quite indicative that in 1973-1975, when the demand for food grain rose sharply, the United States made virtually no changes in the established structure of grain production and used only its reserve areas for augmenting the production of food grain.

The developed capitalist countries still represent the chief market for American agricultural products even now, when the situation in the world food market is not as critical as in 1972-1974. In 1977, for example, these countries already accounted for 63 percent of U.S. agricultural exports, including 20 percent of wheat exports, 18 percent of rice, 64 percent of fodder grain and 80 percent of soybeans (Table 1). The main clients of American firms are now Japan, the Netherlands, the FRG and Canada.

The developing countries accounted for 29 percent of U.S. agricultural exports in 1977, including 58 percent of the wheat and wheat products, 75 percent of the rice, 22 percent of the fodder grain and 15 percent of the soybeans. Among the developing countries, the countries of Latin America, South Asia and Southeast Asia are the chief importers of U.S. agricultural products. The largest purchaser of American grain in Africa is South Africa. (As for the socialist countries, their share in exports of American agricultural products in 1977 amounted to, according to American data, 8 percent).

The expansion of U.S. agricultural products on the world food market in the 1970's has been based on a careful elaborated American Government policy in this area. The emphasis on exports of foodstuffs, the oldest barter item, as the chief instrument of foreign economic expansion stems from the American Government's certainty that the food trade will play an increasingly important role in world economic relations in the next decade. Under these conditions, according to several American ideologists and representatives of ruling circles, extensive exports of foodstuffs could give the nation possessing these goods "considerable power over other nations" which have to purchase these goods.

Structure of U.S. Agricultural Exports  
1977, % Values

	Broken down by groups of countries	Total Exports		
		Developed capitalist	Developing	Socialist
All agricultural products	100	63	29	8
Including				
Grain	100	44	37	19
Wheat and wheat products	100	20	58	22
Rice	100	18	75	7
Fodder grain	100	64	22	14
Soybeans	100	80	15	5

Calculated according to: "U.S. Foreign Agricultural Trade Statistical Report," USDA, Calendar Year 1977, pp 31-33.

The most extreme point of view was adhered to in this matter by former Secretary of Agriculture E. Butz, who believed that there are only two real types of power in today's world: "oil power" and "food power." Moreover,

he thought that "food power" was more important from the standpoint of the United States than "oil power," since it supposedly could serve as the most important means of communicating with two-thirds of the world population. According to Butz, the "food weapon" virtually guarantees political success, particularly in U.S. relations with the developing countries. A similar position is occupied by prominent American economist L. Brown, who compared the position of the United States and Canada in grain exports to the position of the OPEC countries in oil exports and production.

But this kind of comparison is hardly valid, since oil is not a renewable natural product and its reserves and extraction are strictly localized. Grain crops, however, given a favorable price structure, can be cultivated in the overwhelming majority of the developing countries, particularly through the reduction of areas sown to export crops (peanuts, cocoa, coffee, sugar cane, rubber, etc.). But the United States itself, above all, has no interest in radical changes in the system of international division of agricultural labor because, for example, this would complicate the provision of the United States with several tropical and subtropical products which constitute one of the main imported agricultural items, 72 percent of which (in cost terms) comes from the developing countries. For a comprehensive analysis of the role and position of the United States in the development of the world food markets, we must take the fact that this nation is simultaneously a huge importer of foodstuffs into account. In 1976-1978, the United States annually imported foodstuffs worth 9-14 billion dollars. Food imports of such huge quantities are having a considerable effect on the development of American agriculture and, to some degree, represent an "impeding factor" in the making of U.S. strategy in the world food market. At the same time, this situation is reinforcing the developing countries' skeptical attitude toward the United States' declared willingness to give them "effective assistance" in the development of agriculture and, in particular, in overcoming the monoculture system.

Exports of food to the developed capitalist countries represent an important item in the U.S. balance of trade. Constant and heated trade competition goes on between these countries, but Washington rarely uses food as a means of exerting pressure on its trade partners if for no other reason than the incentive of American grain trading firms to acquire stable, large and promising sales markets in the developed nations, primarily for the sale of fodder grain and soybeans. In recent years, an active search for ways of elaborating long-term contracts has been one of the distinctive features of the activities of official representatives of the U.S. Department of Agriculture in these nations. As we know, long-term, stable trade contracts and obligations presuppose egalitarian and mutually beneficial relations between partners. And this is understandable, since the large-scale trade in concentrated feeds presupposes the implementation of long-range national programs in the nations producing the forage, grain and in the nations importing this grain for the development of their animal husbandry.

More covert views were also expressed in regard to the "food weapon," including statements by the late Senator H. Humphrey, who believed that exports and other types of food shipments from the United States should not be used as a means of blackmail but could be used to promote the creation of social class conditions, convenient for the United States, in the developing countries (in other words, to urge these countries onto the path of capitalist development and "integration" in the world capitalist system).

The use of the "food weapon" is now virtually restricted to the developing countries which have traditionally relied on food shipments from the United States. Some of these are actually completely dependent on imports of American agricultural products. The proportion accounted for by agricultural imports from the United States in total imports of foodstuffs ranges from 30 percent to 50 percent in some developing countries, including 32 percent in Iran, 43 percent in India, 60 percent in South Korea, 32 percent in Egypt and 72 percent in Mexico.<sup>25</sup>

In the 1970's, the United States made substantial cuts in its "food assistance" program and transferred to the sale of foodstuffs on commercial terms, which heightened the long-term financial and economic dependence of food-importing countries on the United States.

American diplomacy is engaging in an increasingly intensive search for methods of establishing "more lasting and solid relations" with the countries importing U.S. foodstuffs, but the essential objective is to make these countries as dependent as possible on American agricultural technology and American capital. The emphasis on "comprehensive programs" for the development of agriculture in the developing countries has become stronger in Washington policy. This generally envisages the attraction of foreign capital and specialists and reliance on capitalist forms of economic management. For example, with the aid of the United States, as well as Japanese and Western European capital, the yield of soybeans in Brazil has almost quintupled in the last 5 years--reaching 10 million tons (more than 20 percent of world production).

In the last 3 or 4 years, the United States has been much more active in various international organizations engaged in the elaboration and implementation of international agricultural programs in the developing countries.

On the whole, despite the fact that the interests of the monopolistic agro-industrial complex represent the deciding factor in the American Government's agricultural policy (this is further attested to by the restrictions imposed on wheat and fodder grain production in 1978 by the current administration for the purpose of maintaining high prices within the nation), the emphasis on exports in American agriculture and the elaboration of national strategy in the food trade have now become one of the chief aspects of Washington's foreign economic and foreign political activity. The U.S. State Department

was just as actively involved as the Department of Agriculture in the elaboration of programs for agricultural development in the nation, the use of the "food lever" and the forecasting of the world food situation in the 1970's.

Policy in the area of agricultural exports has become a "vitally important part of American diplomacy." This statement by former President G. Ford has been amplified in statements and actions by the current administration, and there is virtually no reason to doubt that the United States will continue its attempts to use food as a means of economic and political pressure in its relations with other countries.

#### FOOTNOTES

1. See, for example, S. Schmidt, "Assessment of Existing and Prospective World Economic and Food Trends," Luxemburg, March 1977, p 1.
2. "The Fourth World Food Survey," FAO, United Nations, Rome, 1977, p 4.
3. Countries are divided into these two groups in FAO statistics. The first includes the developed capitalist countries, the USSR and some other socialist countries.
4. "The Fourth World Food Survey," p 4.
5. Ibid.
6. Normative indicators fluctuate depending on the sex, age, national and regional characteristics of the living conditions and consumption patterns of different regions (S. Schmidt, Op. cit., p 17).
7. For the sake of comparison, the indicator for the United States is 3,272 kilocalories (Ibid., pp 17-80).
8. These FAO norms are hypothetical and, besides this, they do not reflect the sharp differences in calorie counts in individual developing countries and various strata of the population.
9. "The Fourth World Food Survey," p 18.
10. Ibid., pp 21, 22.
11. Ibid., p 7.
12. Besides this, part of the grain is used as seeding material and for technical purposes.
13. "The Fourth World Food Survey," p 10.



14. D. Johnson, "World Food Problems and Prospects," Washington, 1975, p 64.
15. According to FAO statistics, wheat, rice and rye are completely classified as food grain crops, while corn, oats, barley and sorghum grain are completely classified as fodder.
16. "World Economic Conditions in Relation to Agricultural Trade," USDA, August 1977, pp 25, 26.
17. Ibid., p 26.
18. "Foreign Agricultural Trade of the U.S.," USDA, February 1978, p 16; "Agricultural Outlook," USDA, December 1978, p 15.
19. FEEDSTUFFS, 11 September 1978.
20. "Agricultural Outlook," USDA, October 1978, pp 32, 35-37, "Fruit Situation," USDA, March 1978, p 21.
21. "World Economic Conditions in Relation to Agricultural Trade," p 24.
22. "Agricultural Outlook," USDA, September 1975, p 14.
23. "World Economic Conditions in Relation to Agricultural Trade," p 27.
24. Calculated according to "Agricultural Statistics," USDA, 1976.
25. "World Economic Conditions in Relation to Agricultural Trade," p 33.

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## AMERICAN CAPITAL IN ITALY

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 79  
pp 67-76

[Article by M. Yu. Dykhovichnaya]

[Text] In the system of U.S. international ties and the expansion of American imperialism, Italy has been assigned the role of its main military and political bridgehead in the Mediterranean. In order to carry out its own strategic and economic plans, Washington has tried for several decades to fetter this country with the chains of financial, economic, technological, military and political dependence on the United States. One of the chief elements of this policy is the export of American capital to Italy. The U.S. monopolies, which have gained a firm foothold in the Italian economy, have become an important element of the process of capitalist reproduction here, thereby acquiring an opportunity to considerably influence the political superstructure of Italian society.

There are already more than 750 branches and subsidiaries of American monopolies in Italy, employing more than 200,000 Italians and producing around 10 percent of the nation's total industrial output.<sup>1</sup> The balance value of American direct capital investments in the Italian economy was almost 3 billion dollars by the beginning of 1978, or approximately 20 percent of all foreign investments in the country.<sup>2</sup> If we also consider the fact that many of the companies which are located in Switzerland, Lichtenstein and Luxemburg and invest capital in the Italian national economy are actually branches of American international monopolies, the share and role of U.S. capital in this economy turn out to be even more substantial. In addition, we must remember that the balance value of foreign investments cited in bourgeois statistics is much lower than the actual value. For example, it does not include such important elements as depreciation allowance, which accounts for an average of more than one-third of total sources of production financing; the use of credit from local sources by foreign investors, which some years exceeds half of all new foreign capital investments in Italy; and so forth. As a result, according to the estimates of Italian economists, official statistics understate the actual amount of U.S. investments in the Italian economy as no more than one-fourth the actual value.<sup>3</sup> This kind of deliberate understatement of the actual scales of expansion by American capital is primarily

motivated by political considerations, having the purpose of camouflaging the actual economic and political "presence" of the United States in this part of the world.

The grand dimensions of the positions of American capital are also attested to by the following data. According to the calculations of the Italian Central Statistical Institute, of the 835 enterprises in Italy with the highest sales volume, 382 are companies with foreign participation and one-third of their total capital is controlled by U.S. monopolies. Moreover, American companies head the list of the largest foreign branches in the country. Of the 25 largest branches of international monopolies, 13 belong to U.S. capital, and there are four American firms among the "top five"--Esso Italiana (sales volume of 1.22 billion dollars in 1977), IBM-Italia (784 million), Mobil Oil Italiana (628 million) and Chevron Oil (534 million).<sup>4</sup>

The seizure of such extensive influence in the Italian economy by American capital came about as a result of an entire group of factors in the favor of the U.S. monopolies.

#### Stimuli

The basis for the mass penetration of Italy by American capital was laid by the Marshall Plan. With the intention of promoting the expansionist policy of monopolistic circles, the U.S. Government granted Italy nonrefundable subsidies, loans and credit totaling 1.435 billion dollars between 1948 and 1951.<sup>5</sup> As the Italian Communist Party puts it, this was "the beginning of the nation's transformation into an economic appendage of one of the largest imperialist powers."<sup>6</sup>

As "compensation" for American economic aid, the Italian Government promised to ensure, under the vigilant supervision of the United States, "production, financial and political stability" in the nation, granted U.S. armed forces the right to use Italian territory for hostilities against third powers and consented to the standardization of Italian army weapons according to the American model. Besides this, for the purpose of drawing Italy into the orbit of Washington policy more firmly and comprehensively, U.S. ruling circles guaranteed American private capital a "green light" for penetration of the Italian economy by convincing the Italian authorities to lift many foreign trade and currency restrictions. Numerous devaluations of the Italian lira gave American monopolies extensive opportunities to buy up Italian enterprises, stocks, land and other property at a low price. Italian companies, on the other hand, used the Marshall Plan funds primarily for the purchase of American equipment, licenses and patents, which also promoted the growth of Italian dependence on the United States.

In this way, the export of government capital from the United States created favorable political and economic conditions for the expansion of American monopolies in the Italian market.

Later, right up to the mid-1960's, one of the important factors attracting American capital to Italy was the comparatively low overhead cost of production in this country. For many years, it had the cheapest labor of all of the highly developed Western European countries. For example, the wages of workers in such branches of Italian industry as ferrous metallurgy and electrical engineering were 15-25 percent lower than in the FRG, Belgium or France, wages in the chemical industry were 16-32 percent lower and wages in the pulp and paper industry were 26-35 percent lower.<sup>7</sup>

A favorable climate for American monopoly investments in the Italian economy was also created by the lower tax rate on profits than in the other developed capitalist countries. For example, whereas the rate is around 46 percent in the United States, 60 percent in the FRG, 50 percent in France and 40 percent in England, it is only 35 percent in Italy.<sup>8</sup>

The expansion of the American monopolies was also fostered by the policy of the Italian Government, which hoped to use American capital as a means of reinforcing its own power structure, gaining more active Italian participation in capitalist international division of labor and raising the level of Italy's scientific and technical development. For example, the 10-year program for national economic development adopted in 1955 (the "Vanoni Plan") envisaged the stimulation of foreign investments. Within the framework of this program, a special law was passed in 1956 on foreign capital investments and it is still in effect. This is Act No 43, which permits the free export of profits from investments in production enterprises. This act and numerous tax and credit privileges for foreign investors made Italy one of the nations with the most preferable conditions for the investment of capital. For example, businessmen who invested capital in industrial enterprises in the South and some other backward regions in Italy were completely exempt from taxes. They were given loans on preferential terms for up to 70 percent of the total investment amount and preferential rates for the shipment of equipment and semimanufactured products by rail and sea and for the use of electric power in industry.<sup>9</sup>

In addition to ensuring the best possible conditions for private business, the bourgeois state took on some of the important functions involved in establishing a developed production infrastructure after the war. The American monopolies took advantage of this to the fullest. For example, the government assumed the responsibility of developing power engineering branches, telephone and radio communications, railway transport and so forth, thereby fostering business activity, particularly the activity of American international monopolies.

Another factor stimulating increased exports of private capital from the United States to Italy was the latter's entry into the Common Market. This stimulus was connected with the desire of the American monopolies to not only preserve their influence in the Italian market after the institution of the common foreign customs barrier around the EEC, but also to make use of the advantages of international production specialization within the EEC framework, as well as of the cancellation, stipulated in the Rome agreement, of



all restrictions on the transfer of capital within the community. Under these conditions, American superiority in the areas of science and technology, the mobilization of the necessary huge quantities of capital and the management and organization of production was displayed to the maximum.

### Dynamics and Structure

These factors gave rise to a boom in American private capital investments in the Italian economy. Between 1950 and 1977, total investments increased (in current prices) from 63 million dollars to 2.969 billion—that is, 47-fold. Moreover, the growth of investments in the processing industry was of even greater dimensions.<sup>10</sup>

In spite of the significant increase in the total dimensions of U.S. capital exports to Italy in the postwar period, however, dynamic patterns varied greatly from year to year. For example, between 1950 and 1966 this was the site of the highest rate of increase in American investments in the capitalist world—around 19 percent, while the average annual rate of increase in the Common Market was 16.4 percent and the figure for the capitalist world as a whole was approximately 10 percent.<sup>11</sup> This was due to the growing demand connected with the postwar restoration of the Italian economy, the cheap labor and credit, the weak (at first) position of the state sector and the local bourgeoisie's shortage of capital.

In the second half of the 1960's, the growth rate of American capital investments in Italy slowed down, averaging 11.5 percent between 1966 and 1976 (19.5 percent in the Common Market and 10.2 percent in the capitalist world).<sup>12</sup> As a result, by the end of the 1960's, Italy dropped from third to fifth place among the countries with the largest American investments, falling below not only the FRG and France, but also countries with a smaller market than Italy's: Belgium-Luxemburg and the Netherlands. Italy's share of American private investments in the Common Market declined from 14.5 percent in 1957 to 11.6 percent in 1973. By the beginning of 1978, direct investments by American monopolies in this country represented only 6.2 percent of all U.S. capital investments in the "big nine."<sup>13</sup>

The slower growth of American investments was due to the specific conditions of socioeconomic development in the country. The increasing scales of the Italian workers' strike struggle and the growing influence of the Communist Party and other leftist forces in public life have created an atmosphere in which the "climate" for capital investments, from the vantage point of the American monopolies, has deteriorated. As we know, investors have an interest in reducing investment risks connected with the political conditions of the countries where they invest their capital. This can be quite clearly seen in the evolution of the American monopolies' tactics in Italy.

Their capital investments reached their peak during the years of the so-called economic miracle and comparative political stability, and the export of U.S. capital to this nation hit its highest point in 1975, just before

the general elections which further strengthened the positions of the Communist Party. That year, the volume of American capital investments decreased by more than 3 percent, while total investments in the EEC increased by 12 percent.<sup>14</sup> Another important factor contributing to the decline of growth rates was the tendency toward mounting economic difficulties which replaced the Italian "economic miracle" and returned Italy to the ranks of the "ailing" European countries.

The increased intervention of the Italian Government in the economy had a decidedly hampering effect on American investments. In terms of the scales of this intervention, Italy far surpasses the other developed capitalist countries. For example, state enterprises account for 60 percent of the output of steel, 98 percent of the oil, 40 percent of the chemical fertilizers, 72 percent of the electric power, 100 percent of the nuclear power, 20 percent of the chemical products and 80 percent of the credit and banking services.<sup>15</sup> Huge state concerns and state-private enterprises have set up some obstacles for American expansion in such branches as petrochemicals, power engineering and metallurgy. They have proved capable of holding their own in the competitive struggle against U.S. monopolies. As a result, even such huge American monopolies as Exxon and Shell are incurring considerable losses from this competition—for example, against the state-controlled ENI concern.

The state's active stimulation of production concentration and the merger of national firms, particularly in the automotive industry, at a time of intensive expansion by American giant automobile firms in Europe, strengthened the position of the Fiat concern, which accounted for 88.5 percent of the automobile sales in the Italian market in 1963 (the American firms' share of the automobile market in the FRG exceeds 40 percent, the figure in England is 50 percent, in France it is around 50 percent, etc.). As a result, the General Motors, Chrysler and Ford monopolies were not able to acquire any automobile enterprises in Italy. Even now, the proportion accounted for by U.S. capital investments in Italy's transport machine building is a far cry from the proportion in the Common Market--14.3 percent and 6.1 percent, respectively, of all American capital investments in the processing industry.<sup>16</sup> Now Fiat's share of the Italian market has decreased, however, to 64 percent. This is due to stronger competition on the part of the American monopolies, which have established their own strong sales network for their own vehicles. For example, the Ford Italiana sales agency holds the fourth place in Italy in terms of sales volume (338 billion lira), General Motors Italia holds seventh place (212 billion) and Chrysler is in twelfth place (144 billion).<sup>17</sup>

American direct capital investments in Italy are concentrated mainly in the processing industry--66.2 percent of all investments, in the petroleum business--20.4 percent, and in trade--7.4 percent (see Table 1).

The sectorial distribution of American capital investments has undergone considerable changes ever since the war. The petroleum industry, which was once the major attraction (in 1950 it accounted for 58 percent of all investments), gradually lost its significance. The processing industry's share of

investments is increasing substantially—from 30 percent in 1950 to more than 66 percent in 1978.<sup>18</sup> The highest proportions of investments in the processing industry are accounted for by machine building (46.3 percent) and the chemical industry (24.5 percent)—that is, the chief branches of modern industry, on which the general prospects for economic development largely depend (see Table 2).

Table 1

Branch Structure of U.S. Direct Investments  
(end-of-year data)

	1950 r.		1960 r.		1970 r.		1975 r.		1978 r.		1980 r.	
	(1)		(1)		(1)		(1)		(1)		(1)	
	100	2	100	2	100	2	100	2	100	2	100	2
(2) Total	63	100	284	100	1464	100	3079	100	2104	100	2460	100
(3) Petroleum industry	37	58.7	166	58.7	430	29.7	660	21.5	615	29	648	26.4
(4) Processing industry	19	30.1	120	42.3	629	43.0	1716	55.8	1879	89	2164	87.7
(5) Transportation	—	—	1	0.3	—	—	—	—	—	—	—	—
(6) Trade	1	1.6	24	8.5	—	—	280	9.1	281	13	711	28.9
(7) Finance and insurance	—	—	—	—	—	—	71	2.3	92	4.4	96	3.9
(8) Other branches	—	—	72	25.4	—	—	1	0.03	20	1.0	79	3.2

Key:

- |                        |                          |
|------------------------|--------------------------|
| 1. Millions of dollars | 5. Transportation        |
| 2. Total               | 6. Trade                 |
| 3. Petroleum industry  | 7. Finance and insurance |
| 4. Processing industry | 8. Other branches        |

"SURVEY OF CURRENT BUSINESS, December 1952, p 8; September 1958, pp 18-19; August 1961, pp 22-23; September 1966, pp 34-35; August 1978, pp 27-28; "Revised Data Series....," pp 1-9.

In recent years, American capital investments in Italy have become more selective and have been concentrated in the main fields of technological progress, in the most profitable and dynamically developing branches. For example, the realization by American monopolies of their superiority in the technical and technological fields helped them to gain strong, sometimes dominant, positions in Italian electronics, precision machine building, high-molecular compound chemicals and the pharmaceutical industry. Although they held only 6.1 percent of the stock in the chemical industry, they control 39 percent of the sales volume of detergents, around 70 percent of high-molecular compound chemicals and 20 percent of pharmaceutical products. In machine building for electrical engineering, American business controls around 30 percent of the sales volume. Moreover, American computer manufacturers account for more than 80 percent of all sales.<sup>19</sup>

Table 2

## Structure of U.S. Direct Investments in Processing Industry\*

(1) Отрасли	1966 г.		1970 г.		1975 г.		1976 г.		1977 г.	
	(2) \$	(3) %	(2) \$	(3) %	(2) \$	(3) %	(2) \$	(3) %	(2) \$	(3) %
(3) всего	311	100	529	100	1716	100	1879	100	1964	100
(4) в том числе										
(5) пищевая индустрия	27	4,3	53	6,4	105	9,6	175	9,3	181	9,2
(6) химическая	105	20,7	197	23,8	402	23,4	450	23,9	481	24,5
(7) металлургия	34	10,6	26	6,8	61	3,6	—	—	—	—
(8) общее машиностроение	215	42,1	300	38,6	797	46,4	999	47,8	909	46,3
(9) другие отрасли машиностроения	105	20,5	—	—	179	10,4	216	11,5	244	12,4
(10) производство транспортного оборудования	7	1,4	—	—	113	6,6	—	—	—	—

## Key:

- |                        |                                       |
|------------------------|---------------------------------------|
| 1. Branches            | 6. Chemical industry                  |
| 2. Millions of dollars | 7. Metallurgy                         |
| 3. Total               | 8. All-purpose machine building       |
| 4. Breakdown           | 9. Other branches of machine building |
| 5. Food industry       | 10. Transport equipment manufacture   |

\* Information on overseas American investments in various branches of the processing industry did not begin to be published until 1966.

"Revised Data Series...", pp 1-9; SURVEY OF CURRENT BUSINESS, August 1977, pp 44-45; August 1978, pp 27-28.

It should be noted here that the United States ends each year with a high positive balance of technological exchange with Italy due to its general superiority in the scientific and technical fields. As a result, for example, currency receipts from the trade in licenses and patents with Italy exceeded payments 4.5-fold on the average between 1974 and 1977.<sup>20</sup>

American monopolies have also seized strong positions in domestic trade by gaining control over 36.6 percent of the stock in this branch.<sup>21</sup> This makes it much easier for them to sell their goods even when market conditions are poor.

American companies are indirectly affecting the Italian defense industry. Although there are no statistical data available on these branches--just as, incidentally, on many others in which production requires high scientific input--it is obvious that a considerable portion of American capital investments in Italy is directly linked with U.S. military and political plans.



For example, the statement is made in "Il capitale straniero nel Mezzogiorno," a book by M. Benetti, M. Ferrara and S. Medori, that foreign capital investments in this nation, particularly American ones, cannot be examined in isolation from Italy's participation in the North Atlantic pact. And it is most likely no coincidence that, for example, American investments in the South are concentrated in lower Latium and Campania--that is, in direct proximity to the NATO bases located in this part of the country.<sup>22</sup> According to TEMPO magazine, Italy has become a major client and partner of the U.S. military-industrial complex. This collaboration, which includes armament manufacture, close commercial contacts and a secret bargain with respect to the sale of weapons, produced in Italy with American licenses, to third nations, encompasses more than 30 large projects in which more than 20 American and Italian firms are participating. Such huge American subsidiaries as Lockheed-Aermacchi, Lockheed-Aeritalia and others are filling defense orders.

### Consequences

The intrusion of the American monopolies is eradicating national control over entire branches of the economy (electronics, the pharmaceutical industry and others) and limiting national sovereignty. Decisions on such important issues as employment, the territorial distribution of the production and sales network, and investment dynamics are often made without the knowledge of the Italian Government. Italy is paying a high price for this--the disruption of its economic programs, the augmentation of disparities between the developed North and the backward South, rising unemployment and the exacerbation of currency and finance problems.

An example of the way in which American capital sabotages plans for Italy's economic development can be seen in the history of the program for the industrialization of southern regions by channeling more foreign capital into this zone. Local authorities were willing to provide international monopolies with numerous financial privileges for this purpose. But the American investors preferred to keep building their enterprises in the northern industrial regions, which had a developed production infrastructure and ample skilled labor and were located close to the other common market countries. As a result, more than four-fifths of all Italian subsidiaries of American companies are located in the North, while only around one-seventh are in the South.<sup>23</sup>

The program for southern development had the goal of reducing the extremely high rate of unemployment in addition to industrializing this region and, for this reason, envisaged the development of primarily the labor-intensive branches. The American companies made energetic use of their financial privileges, but they mainly developed capital-intensive branches here, primarily petrochemicals, thereby simply exacerbating the unemployment problem. The newspaper CONSIGLI, the organ of the Federation of Machine Builders, remarked in this connection that the motto of "maximum privileges and no control" had led to a situation in which the "billions presented to international monopolies created only doubtful jobs, which was obviously not

enough to stop the intensive migration. Moreover, in many cases they led to higher unemployment, rending the already weak economic fabric of the South."<sup>24</sup> One of the reasons for this was the trade unions' lack of opportunity to take part in decision-making at American branch enterprises. "If Fiat or Pirelli plans to close a factory," CONSIGLI commented, "they have to deal with us (the trade unions--M. D.) and they are often forced to drop these plans; but if an Italian branch of an American multinational monopoly receives an order by telex from Detroit, it can close its factory and leave the country within a few weeks."<sup>25</sup> Experience has shown that the stimulation of foreign capital investments does not reduce the emigration of manpower from Italy. For this reason, during periods of economic crisis, the nation has to experience double difficulties: the escape of foreign capital and the mass return of emigrants who have been laid off from jobs abroad.

While they formally observe Italian laws, the American branches are actually totally and completely guided by the strategy of their parent firms. They also preserve their autonomy by means of purposeful financial policies. For example, the American monopolies with a broad network of subsidiaries generally do not sell stock in these companies on the local exchange. This reduces the Italian Government's chances of effectively controlling the activity of these firms.

In the opinion of some Italian economists, the financial policy of the American monopolies is one of the reasons for Italy's currency problems. For example, when the possibility of the devaluation of the lira arises, American subsidiaries in Italy use their power and the prestige of their parent firms to borrow more local currency so as to pay off their bank debts with the cheaper money after the devaluation. It is indicative that in the mid-1970's, when the lira reached the point of maximum instability, the American companies' own capital amounted to only 44.8 percent of borrowed capital, considerably under the indicator of 83 percent in the United States. Operations of this kind only disrupt local currency conditions and increase the scales of devaluation, which has already occurred in Italy many times since the war.

Local credit plays an important role in financing American enterprises in Italy, amounting to 40-50 percent of their total capital requirements in some years. This is due, in particular, to the fact that bank lending rates in Italy are generally much lower than in the United States and the Euro-dollar market, and American monopolies often use local credit to finance their operations abroad as well as in Italy, thereby increasing the nation's negative balance of payments. For example, between 1961 and 1969, the interest rate on credit extended by U.S. banks was 10 percent for dollars, 12.2 percent for Eurodollars and 8.25 percent for Italian lira.<sup>26</sup>

The export of the profits of American branches to the United States considerably exceeds imports of U.S. capital. This difference, even according to obviously understated statistics, was 72 million dollars in 1968, 31 million in 1970, 102 million in 1972 and 246 million in 1975.<sup>27</sup>

This financial policy of U.S. capital weakened the Italian lira and played a decisive role in exacerbating the currency and financial crisis in the nation.

The American investments have not reduced the technological gap between the United States and Italy either. On the contrary, Italy is now even more dependent on imports of equipment and technology in several areas. In this kind of situation, as the technological gap widens, the firms in the host country find themselves in a worse position with respect to setting the terms for transactions and acquiring the latest technology. "The acquisition of know-how, technical services, patents and licenses by our companies," prominent Italian electronics expert P. Brezzi commented, "leads to more than economic losses. The fact is that the conclusion of transactions involving the acquisition of know-how always leads to participation in Italian firms by American capital and to rigid restrictions (for example, to restrictions on exports to some socialist countries) and, ultimately, these agreements sharply diminish, if not nullify, the scientific and technical potential of our scientists."<sup>28</sup>

As a result of the selective mass penetration of leading branches by U.S. monopolies, Italian capital has been forced to retreat to secondary frontiers in the economy. The concentration of this capital in branches with low growth rates and little scientific input, according to prominent economist G. Ruffolo, means "not only less profits today, but also less competitive potential tomorrow. This will lead to a situation in which the nation will have to concentrate on the 'poor' branches, although they not only provide less profit, but also produce a relatively limited assortment of products of low complexity." This is why the American companies on the Apennine peninsula are operating at a higher profit than Italian firms. For example, the sales volume of American branches and subsidiaries in Italy, which control only 5 percent of all stock in the nation, was around 10 trillion lira in 1975, or close to half of the total production volume of the largest private Italian firms (22.7 trillion). The profit rate on the sales of American branches and subsidiaries was 5.8 percent, while the rate of Italian private firms was 3.8 percent.<sup>29</sup>

In reference to the higher profitability of American firms and their specialization in the production of the latest commodities, former President G. Petrilli of IRI, the leading state-owned holding company, concludes that "under the conditions of the relatively low operational efficiency of national firms, the growth of sectorial disparities and the bureaucratization of state enterprises, there is the real prospect...that Italy will sink to colony status in relation to foreign capital."<sup>30</sup>

American investments in the expansion of Italian national export potential are having a contradictory effect, particularly in leading branches. American subsidiaries in Italy account for 9 percent of all industrial exports; in some branches, however, they account for much more than 50 percent. For example, Firrania (a branch of the American 3M-Minnesota firm) completely

controlled Italian exports of photographic equipment at the beginning of the 1970's; around 30 percent of all the office equipment exported by Italy was produced by the local IBM branch.<sup>31</sup>

To a certain degree, investments by American monopolies in Italy have promoted its more active participation in international capitalist division of labor. Around one-fourth of the total cost of branch production represents deliveries between branches (or subsidiaries) of U.S. monopolies located in Italy and other EEC countries. This naturally stimulates the development of trade between the "big nine." The proportion is particularly sizeable in such highly specialized branches as machine building and the chemical industry. We must bear in mind, however, that branches of U.S. monopolies in Italy generally do not mention import quantities when they publish data on the considerable volume of their exports from the nation. But these import volumes are quite substantial and, consequently, net profits in trade are lower. The branch's imports of goods from the parent company almost always considerably exceed its exports. For example, American computer manufacturers prefer to provide their branches with particularly complex and costly components from the United States, which has a negative effect on the Italian balance of trade. We should also bear in mind that the distribution of American production units in Italy for export operations was motivated in many cases by the low cost of local labor. This is attested to by the fact that the partial equalization of wages in Italy and the other developed capitalist countries reduced the proportion accounted for by exports in the American branches' total sales from 14.9 percent in 1966 to 11.5 percent in 1975.

While they stimulate export deliveries from parent firms to branches, U.S. capital investments in Italy have no effect on the exports of Italian branches in the United States (most of their products are exported to countries other than the United States, particularly the "big nine"). This export volume is insignificant; moreover, it gradually decreased for an entire decade, up to the middle of the 1970's. In 1966 it was equivalent to only 2.3 percent of the sales volume of American branches in Italy, but in 1975 it had dropped to only 1.3 percent of this volume.<sup>32</sup>

Experience has shown that although imports of American capital have slightly stimulated Italian exports (mainly in connection with the growing volume of deliveries between branches of U.S. monopolies), but have not made Italy one of the nations exporting technically advanced products and, in fact, are more likely to reinforce its position as an importer of the latest products and technology. Studies of the foreign trade specialization of Italy in leading branches in the 1970's indicated that the cost of imports of these products far surpasses the cost of exports. In bilateral trade with the United States, Italy has a positive balance only for 4 of the 48 analyzed items in the assortment.<sup>33</sup>

The specialization of Italian branches of American monopolies in the export of components and parts is potentially dangerous for another reason as well--the growing dependence of Italian foreign trade on the strategy



of these monopolies, which is always elaborated in the United States. "When an international monopoly departs," writes Secretary-General Carlini of the Milan branch of Italy's leading union, CGL, "it does not leave patents, know-how or production processes behind. It only leaves bare walls."<sup>34</sup> For this reason, a sudden decrease in foreign investments is the direct cause of a larger negative balance in Italian trade.

Italy's obvious economic and financial dependence on the United States puts its political independence in question as well. This was quite clearly reaffirmed by the United States' recent unceremonious interference in Italian internal affairs, particularly the U.S. State Department's declared objection to possible communist participation in the Italian Government in January 1978. In order to prevent democratic changes in this country, the U.S. monopolies are employing and tried and tested variety of means of economic pressure and blackmail—from the bribery of politicians and the financing of reactionary parties to the organization of "black" trade unions and overt discrimination against workers who are members of leftist parties. According to L'ESPRESSO magazine, more than 50 American monopolies bribed members of the government, prominent statesmen and politicians in Italy in the mid-1970's. They included Exxon, Mobil Oil, Lockheed, Rockwell International and others.<sup>35</sup> Production cuts and lay-offs at branches of American monopolies have become a popular method of pressuring Italy. For example, in 1974 and 1975 Grace Italiana and General Foods (food industry), Rank Italiana (pneumatic engines), Ingersoll Rand (electronics) and several other companies announced the closure of their enterprises.<sup>36</sup> "By threatening mass withdrawal from Italy, the international monopolies are trying to promote changes in the political situation. They want to create panic and attack the trade unions so as to make desirable changes possible," this is how the behavior of foreign capital was described by EUROPA DOMANI.<sup>37</sup>

Nevertheless, we cannot deny that American direct capital investments have had some positive effects on the Italian economy. For example, they have contributed to the considerable expansion of the assortment of goods produced in certain branches requiring high scientific input, such as electronics, petrochemicals and the pharmaceutical industry. American capital has introduced new forms of advertising, marketing, intraorganizational forecasting and production organization. For example, in the 1960's and 1970's many Italian firms reorganized their administrative activity according to the American model: Their production and administrative subdivisions were specialized according to the principle of common production output. As a result, production efficiency was enhanced, sales increased and resources were concentrated in more promising markets.

Imports of American capital have also stimulated the merger and consolidation of Italian firms, since concentration and centralization have often been the only ways of surviving the competition with U.S. monopolies. For example, the concentration of national capital in the electrical appliance field made it possible for the Italian Zanussi and IRE companies to come out ahead in the competitive struggle against the gigantic American General Electric firm and retain their leading position in the production and export of these items.

But the positive features of the activities of U.S. capital are completely nullified by its negative effects. For example, although the inclusion of Italian branches in the unified production machine of the American international monopolies slightly increased Italian commodity exports, it also made Italy more dependent on imports and increased its negative balance of trade in products requiring high scientific input. The inflow of American capital gives rise to an ever-increasing outflow of financial resources in the form of profits, dividends, payments for technology and so forth, and this is exacerbating financial and economic problems, increasing the negative balance of payments, raising the rate of unemployment and reinforcing disparities in the distribution of productive forces.

All of this completely confirms the statement in the declaration of the 1974 Brussels Conference of Western European Communist and Workers Parties, that the activities of international monopolies, primarily the American ones, are giving rise to "regional imbalances and disparities in the development of different nations, are having a serious negative effect on the living and working conditions of urban and rural laborers, are considerably restricting the effective exercise of democratic rights and are inconsistent with the national interests of people.

#### FOOTNOTES

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23. "Iniziative industriali a partecipazione estera nel Mezzogiorno," Rome, 1976, pp 20-21.
24. CONSIGLI, No 18-19, 1975. The establishment of enterprises controlled by American capital is generally accompanied by the ruin of small, and sometimes even medium-sized, local firms and a rise in unemployment. This is due to the fact that the more qualified segment of the labor

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ROBERT SCHMIDT: 'REMOVE OBSTACLES TO TRADE'

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 79  
pp 77-80

[Interview with Robert Schmidt, executive vice president of the Control Data Corporation]

[Text] Robert Schmidt, prominent representative of the U.S. business community and executive vice president of the Control Data Corporation, visited Moscow. Control Data, one of the largest American firms manufacturing computer equipment, has maintained business contacts with the USSR for several years. It is one of the American companies which are actively promoting the normalization and development of trade and economic relations between the United States and the USSR and the removal of all American obstacles to broader cooperation between the two countries.

Robert Schmidt kindly consented to share his views on the present and future of Soviet-U.S. economic relations with our readers.

There is no question that the development and expansion of trade and economic ties between the USSR and the United States will be in the interest of both countries and in the interest of stronger peace and international cooperation. These issues were the topic of intensive and productive discussion at the largest Soviet-American forum--the December 1978 session of the American-Soviet Trade and Economic Council.

A prominent place in the business contacts between our countries should be occupied by technological exchange. After all, the United States and the Soviet Union are the most highly developed countries in the world and have the greatest technological potential.

It must be said that the question of policy in regard to the export of technology and "know-how" to the Soviet Union gives rise to many disputes in the

United States, and there is still no clear agreement on this matter. It is a fact that many American exporters of technology and various types of goods produced in the United States find that the administration's policy in the issuance of export licenses is just as unpredictable as a game of roulette. American businessmen encounter obstacles to the development of trade, the export of technology and the exchange of technology with the USSR. In the final analysis, this means a loss for American society, taking the form of fewer jobs in the export branches of industry and a negative balance of payments. The industrial foundation on which U.S. economic assistance is based is being harmed. While other exporting countries are developing technological exchange with the Soviet Union, we are wasting our time.

Technology is the means by which man can produce more with lower overhead costs and use machines to guarantee the existence and comfort of all mankind; this is one of the fields in which the United States has surpassed other countries but no longer holds a dominant position.

The United States, just as the USSR, is experiencing a need for more abundant sources of energy, better methods of energy conservation, improvements in the public health system, higher labor productivity and solutions to many other problems. These needs can be regarded either as problems or as possibilities.

The way in which the United States conducts business relations with other countries will largely determine whether these pressing worldwide problems will be solved and will turn into new possibilities for America: new jobs, new commodities and services, technological innovations, general economic progress and so forth.

An exchange of views with representatives of the business community and specialists in technology and trade indicates that there is general agreement that the following factors must be taken into account in U.S. national interests:

The vital need for extensive bilateral business relations with all countries; the United States does not have enough resources of its own to solve major problems even within the next decade;

Unemployment is one of the problems which could be solved on a long-term basis through the further development of production and the introduction of new goods and services in the private sector;

Technological innovations create new jobs;

East-West trade, which is being impeded by the confused and unrealistic administrative practices of the United States with respect to export licenses, must be developed.

On the whole, the development of American exports to the Soviet Union is being impeded by many obstacles in the United States. One of the spheres

in which some representatives of the administration and several of the largest firms disagree is cooperation with the USSR in the area of technology: Is the exchange of technology with the Soviet Union in the interest of the United States or not? In my opinion, this kind of exchange is indisputably in our interest. The Soviet Union is the recognized leader in a number of scientific and technical fields, and cooperation with the USSR in these areas would be useful to the United States, not to mention the spheres in which the USSR is already conducting research and the United States is not. If we in the United States use this research to solve some of our problems, we will thereby create new jobs in the United States and will be able to plan, develop and produce new goods and services without spending the funds needed for fundamental research in these areas.

Another side of the matter concerns the export of American technology to the Soviet Union in exchange for technology received from the Soviet Union.

The tactic generally used by opponents of technology exchange with the Soviet Union is the creation of an atmosphere of apprehension. For this purpose, they employ the following arguments:

The USSR cannot give the United States anything useful in the technological field;

The USSR will use American technology and goods to achieve self-sufficiency;

The USSR will use American technology and goods to compete with the United States;

The USSR will use American technology to build up its military strength.

I think that clear and logical responses can be made to each of these arguments."

Is there any technology in the USSR that might be useful to the United States? Of course. There is ample evidence that the Soviet Union is the world leader in several technological fields. We could list, for example, such fields as special welding techniques, the production of titanium, thermonuclear synthesis and the magnetohydrodynamic method of producing electric energy. Many of these Soviet methods have been licensed for use in the United States. The Soviet Union could sell more licenses to the United States, but sometimes it does not realize the full value of its technical innovations from the licensing standpoint: either because of insufficient knowledge of the Western market and its need for Soviet technology or, in some cases, because Soviet organizations have overestimated the level of technological development in the Western countries. It is completely obvious that the Soviet technology that has already been imported by the United States has been of considerable value to the American economy.

Will the USSR use imported American technology to achieve self-sufficiency? In the first place, the Soviet Union is already self-sufficient enough for

its needs. For example, according to BUSINESS INTERNATIONAL, Soviet imports in 1975 represented less than 4 percent of the gross national product. This is comparable to U.S. imports, which represented 7 percent of the American GNP that same year. I believe that the achievement of self-sufficiency in all conceivable spheres of technology would be neither possible nor desirable for the United States or the Soviet Union.

It is not only that the United States and USSR have their own areas of specialization, but also that both countries should constantly expand ties and cooperate with one another. Each nation has its own unique infrastructure. It would be expedient for each to use its own areas of specialization in cooperation with its partner to guarantee the derivation of the final product.

Will the USSR become the United States' competitor? Yes. But since when have the Americans been afraid of competition? The technology and goods produced by American industry, which might be competing with their Soviet counterparts, have already attained a high level of commercial use in the West. To the degree that American business is able to develop markets for goods produced with the aid of Soviet technological innovations, we will acquire, so to speak, risk-free technology and thereby save time and investment capital, and we will also accelerate the market circulation of goods. Consequently, this will not only eliminate the risk connected with capital investments, but will also heighten competitive potential.

Will the USSR use American technology to build up its military strength? In connection with the issue of exports of technology and large-scale computers to the Soviet Union, some people in the United States are expressing the fear that this could threaten American security. The opponents of expanded East-West trade have done much to arouse fear in the American public mind by alleging that large-scale computers will somehow be used by the Soviet military to threaten American defense or that these computers will allow the USSR to develop some kind of frightening weapon. Taken to the extreme, this argument essentially means that the United States should not sell anything to the USSR. It must be said, however, that the frontier has already been crossed. We are already trading with the USSR. As for computers, 95 percent of the technology and computers now available or in the planning stage cannot affect U.S. security at all. Besides this, the computers and industrial technology we sell to the Soviet Union are, so to speak, items that are already in the stores--that is, these computers and technology are already being sold on the world markets. Therefore, there would be no sense in "concealing" these goods. It is absurd to regulate something that is commercially accessible throughout the world. The use of research findings and "know-how" in the production of useful goods is completely natural and can only be encouraged. It would be an absurd illusion to believe that technology could be "locked up" and kept secret. The value of a commodity produced with the aid of American technology consists in its utility and the possibility of its sale.



As for "security" considerations, the most reliable basis of American security is the industrial and technological foundation. Industrial and technological exchange with other countries, including the USSR, benefits the U.S. economy and the economies of its partners, it promotes cooperation and it strengthens security in the world and, consequently, the security of the United States.

But there are real dangers. The greatest danger for the United States in today's technological world is conceit and the belief that our technological developments can be kept secret; we once believed this about the atomic bomb.

Today, precisely the same technology that exists in the United States is also available in Japan and Europe. There is virtually no exclusively American technology.

According to the data of the U.S. Department of Commerce, the rates of industrial technological development in Europe and Japan are beginning to surpass American rates in many fields. Although the United States is the leader in computers, this leadership is not absolute. European and Japanese computers are mostly equivalent to American ones, and their competition is growing stronger all the time.

There are many fields in which the United States is the leader. But the findings of Technotek (an office of the Control Data Corporation for the automated processing of data on technology transmission throughout the world) indicate that American firms are more interested in foreign technology than their counterparts in other countries.

In short, the United States must not be so self-centered as to believe that it has certain technological secrets beyond the capabilities of other countries. It also must not be lazy in the search for foreign technology, which we could use, with the aid of American administrative methods and market possibilities, to solve problems not only in our society, but, in cooperation with other countries, to solve several major problems facing mankind.

If the chief danger lies in excessive self-confidence, or even egocentrism, another danger can be found in the federal bureaucracy responsible for the licensing and control of exports. The bureaucrats make every effort to "preserve" whatever they cannot understand. But this is not only a matter of a lack of understanding of all the benefits of technology exchange, but also the absence of clearly defined policy in the area of technology export. There are just as many political approaches as there are agencies with some relation to aspects of technology export. At present, for example, there are no precisely defined national priorities and principles which take the chief needs of the society and its possibilities into account, and there have been no analyses of the drawbacks of controlling technology export.

Under present conditions, there would seem to be an urgent need for effective ways of assessing technology. All countries keep track of the dynamics of the production of goods and services and the status of the balance of trade, but there is still no adequate way of determining the usefulness of technology exchange, although exchanges of this kind are of the highest value in many cases.

In conclusion, I would like to look back into the past and note that the industrial revolution of the mid-18th century made it possible for England to be the leading industrial power in the world for more than a century. Now, at the conclusion of the 20th century, the contemporary scientific and technical revolution is giving the United States and the Soviet Union an opportunity to become the leaders in the resolution of the problems of the next century.

What are the prospects for this development? Relations between the two strongest powers in the world have not been normalized as yet, and there are many obstacles in the way of normalization, which must be overcome. The future will bring the conclusion of the SALT-II agreement, which will not only be mutually acceptable, but also useful to both countries. Political relations between our countries must also be set to rights with consideration for our mutual interests and the interests of the rest of the world.

And there is no question that it is extremely important to remove the obstacles impeding the normal development of trade and technological exchange between our countries.

Both countries will gain a great deal from the normalization of trade and economic relations. Expanded trade will aid in strengthening and developing the economies of both countries and will reduce the danger of conflict. Trade and economic cooperation will aid in the mutual conservation of resources through the avoidance of duplicate research and experimental design projects and the development of the industrial technology needed to heighten labor productivity. It will promote a rise in the standard of living in both countries and the more effective use of economic potential. The development of mutual trade will improve the payment positions of both sides and create new jobs for the public. Under the conditions of normal and developing trade and economic relations, both countries will have opportunities for mutual enrichment with progressive technical knowledge and a rise in the general level of education.

It is completely obvious that both of our great nations will derive much benefit from the normalization of trade and economic relations and technological exchange.

I am certain that the normalization of trade and economic relations between our nations will come to pass in the near future. There are many signs that events are moving in this direction. A failure to see this or to experience feelings of optimism would be tantamount to a gloomy fatalistic view of the future. Both of our countries and all of us must make an earnest effort to justify this optimism.

## CONGRESS AND U.S. EAST-EUROPEAN POLICY: PAST AND PRESENT

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 79  
pp 81-86

[Article by S. I. Bol'shakov]

[Text] Working out the conceptual bases of U.S. policy in relations with socialist countries has always been one of the most complex and contradictory processes of foreign policy decision-making in Washington. The concepts worked out in connection with U.S. policy toward the Eastern European countries, particularly the "containment" of communism and "liberation," have firmly taken root in postwar American political science. The concepts of "building bridges" and "peaceful involvement," which came into being in the 1960's, when the cold war was already ending, reflected a desire to adapt to changing conditions in the world while preserving the basic class essence of policy toward the countries of East Europe--the nonacceptance of socialism as a new social structure or communism as an ideology.

Congress has always performed one of the decisive functions in determining and making the East European policy of the United States. Congress has blocked many attempts, even the fairly modest ones, of the Kennedy, Johnson, Nixon and Ford administrations to establish better relations with the socialist countries.

Certain documents have been published in the United States in the last two or three years, including transcriptions of the proceedings of once-secret hearings. They quite graphically demonstrate the tactics of Congress, which, during the period of cold war, either initiated or supported a tough policy line in relations with the socialist countries.

The specific features and evolution of congressional tactics in connection with aspects of U.S. East-European policy can be examined best in the context of the specific foreign policy actions taken by each particular administration. These actions were generally preceded by speeches by the President, secretary of state or other representatives of the administration in the Senate Foreign Relations Committee and several other Senate or House committees.

On 5 June 1947, Secretary of State G. Marshall substantiated a program of American economic aid for the European countries, which later became famous as the "Marshall Plan." The United States wanted to extend this program to the Eastern European countries as well, in the hope of using it as a means of preventing the consolidation of the popular democratic order there and of eradicating the gains these countries had already won by 1948. In Eastern Europe, the "Marshall Plan" was supposed to restore the capitalist order.

The rejection of American "services" by the nations of people's democracy evoked an openly hostile reaction in Washington. On 17 March 1948, President H. Truman spoke before the Senate Foreign Relations Committee, presenting an interpretation of the policy of the USSR and the European socialist countries that was full of lies and tendentious statements. In his speech, the events of February 1948 in Czechoslovakia, when representatives of the reactionary segment of the bourgeoisie, instigated by American diplomacy, attempted to return the country to the bosom of capitalism, were completely misinterpreted and distorted. The report was full of false statements, such as the allegation that the "independence and democratic character of a whole group of nations have been obliterated" in Eastern Europe.<sup>1</sup>

The senators reacted to the President's speech in the appropriate manner. A statement made in this connection by Senator Capehart can be regarded as a typical example of the phraseology that was common in Congress during the cold war years. Proceeding from the falsified interpretation of the socialist countries' policy, he tried to substantiate the tactic of "massive pressure" and intimidation, which later entered the history of American political terminology as "atomic blackmail." "Our nation has never been so excellently prepared for war," the senator announced. "We have 14 million young men who could be remobilized.... We have the largest navy in the world.... We have the atom bomb. We have an excellent air force."<sup>2</sup>

The senator ended his speech with undisguised threats addressed to the socialist countries.

This kind of tone in the statements of senators was fostered in every way possible by the administration, whose representatives used every opportunity at the end of the 1940's, including various speeches in the Senate, to attack the foreign and domestic policy, the structure and the ideology of the Eastern European countries. When D. Acheson took office as secretary of state, he announced to the Senate Foreign Relations Committee on 14 January 1949 that the ideology of communism "directly contradicts the fundamental theory on which all free institutions are based."<sup>3</sup>

The atmosphere of the cold war and the American ruling circles' nonacceptance of the new model of sociopolitical development, which, in spite of difficulties and conflicts with the forces of internal and external reaction, stubbornly declared its right to exist in Eastern Europe, are clearly sensed in the hearings of 1950. Appeals to build up U.S. military potential, which were justified (just as they are today) by the "over-arming" of the USSR and the

Eastern European countries, were reinforced in Congress by proposals to broaden propaganda efforts for the purpose of discrediting socialism in the eyes of the world public.

"We must take every step within our power to not only discredit communism and its theory, but also emphasize the superiority of our form of government,"<sup>4</sup> said one orator. Another suggested an "aggressive campaign" to introduce other countries to the ideology of the "American way of life." This meant its forceful imposition on people, not only in the Eastern European countries, but also in the Western European states where the communist parties had a great deal of influence (for example, in France and Italy). This idea was set forth in a speech presented in the Senate Foreign Relations Committee by General O. Bradley, chairman of the Joint Chiefs of Staff, in 1950 and was immediately taken up and amplified by committee members.

According to the reports now being published, the Congress of the early 1950's reflected all of the debates over the official American approach to the countries of Eastern Europe. Their tendentious anticommunist nature was the norm for that time.

This was accompanied by the misrepresentation of the socialist countries' foreign policy, including some of its fundamental premises, such as the principle of peaceful coexistence by states with different social structures. At hearings on 17 March 1948, for example, the statement was made that Marxist-Leninist ideology supposedly does not accept "even the very possibility" of the "capitalist world and the communist world... living together in peace," that their policy is aggressive and that the United States does not accept and "rejects" this approach.<sup>5</sup>

It is hardly necessary to say that this manner of stating the issue attests to the deliberate distortion of the socialist nations' policy. This was particularly apparent in the first postwar years, when all forces in the Eastern European nations of people's democracy were busy healing the wounds of war, solving their own domestic problems and laying the basis for a new socialist society. In spite of this, in congressional hearings of the 1940's and 1950's, the socialist countries of Europe were constantly accused of aggressive intentions, which supposedly consisted in the subjugation of "all regions adjacent to their borders, over which their armies could gain control."<sup>6</sup>

Even the senators who later proved to be realistic thinkers interpreted the development of relations with the socialist countries in terms of "black and hite" during those years. It was only much later that some of them, particularly W. Fulbright, acknowledged the absurdity of the entire "containment" program and regretted the time and money wasted on attempts to implement the "Truman Doctrine." "To a much greater degree than any other factor, the anti-communism of the Truman Doctrine," he wrote in 1972, "was the guiding spirit of American foreign policy after World War II."<sup>7</sup>



Throughout the 1940's and the 1950's, one basic theme was heard constantly, although more distinctly at some times than at others, in congressional hearings: The United States and entire West were being threatened by the "expansionist" aims of the socialist countries, in connection with which it was necessary to extend the front of U.S. defense to Europe and regard the western borders of Eastern Europe virtually as the eastern borders of the United States.

This platform lay at the basis of the imperialist powers' aggressive policy in the late 1940's and early 1950's, when the chief military blocs were created in the West, a massive campaign of slander and threats was launched against the socialist countries and war hysteria was escalated.

Under the influence of the colossal changes that have taken place in the world in recent decades, the increased strength of the socialist countries and their prestige in the international arena, the tactics of U.S. ruling circles, including Congress, have undergone an evolution. Coarse and straightforward anticommunist rhetoric has given way to more "elastic" terminology. But the anticommunist lexicon of the cold war has not been put away in the archives. Anyone who simply leafs through the materials prepared for various congressional committees in the 1970's will be convinced of the amazing tenacity of anticommunist ideas in U.S. political circles.

In 1950 the statement was made in Congress that "defending the security" of the Eastern European countries was the same as defending the security of the United States. If we take a look at the voluminous compendium of around 1,500 pages, compiled at the request of the Joint Economic Committee of Congress on 25 August 1977 by the most prominent American experts and pertaining to problems in the political and economic development of the socialist countries of Europe, we will repeatedly come across almost identical statements. For example, a paper on the interrelations between the USSR and the Eastern European countries frankly states: "From the geostrategic, economic, military and political standpoint, Eastern Europe is of tremendous significance for the free world. This is a region of primary importance for the security and freedom of Western Europe and, consequently, for U.S. security as well."<sup>9</sup>

The same document stresses the strategic importance of Eastern Europe in the total global context, far surpassing the significance of all locations traditionally considered to be key strategic points, and concludes that "compensatory American presence in Western Europe is unavoidable" for guaranteeing the security of the latter, which is supposedly being endangered by "pressure from the East."<sup>10</sup>

In the 1950's, as was noted in hearings before the House Committee on International Relations in June 1971, the "absolutization and institutionalization of the cold war" were prevalent in Washington political circles, as well as "its philosophical escalation," which began as early as the Truman years; and Secretary of State J. F. Dulles, along with his obsession with the

"communist threat," was distinguished by an "apocalyptic vision of world crisis," which would supposedly result from the very existence of the socialist system. During the course of congressional hearings in 1971, the Truman Doctrine was called "blindness on a gigantic scale," but the assumptions which served as a basis for this conclusion were nonetheless derived from the fundamentally false interpretation of the theoretical bases of socialist policy after the war.<sup>11</sup>

The tenacity of false evaluations of the socialist countries' foreign policy became even more apparent in the second half of the 1970's, when certain circles in the United States and other Western states began to stir up a campaign over the "military threat" which the Warsaw Pact allegedly represents for Western Europe.

This tactic was most directly reflected in congressional hearings. For example, in the 1978 proceedings of hearings, we often come across lengthy debates over such issues as the military preparedness of NATO to oppose the Warsaw Pact "threat." Congressman D. Daniel (Democrat, Virginia), head of the Subcommittee on NATO of the Committee on the Armed Services, made provocative statements on 23 August 1978, recommending the production of chemical weapons by the West and asserting that "the Warsaw Pact nations will occupy Western Europe as soon as they sense their superiority in weapons"; that they are supposedly waiting impatiently for an opportunity to use chemical and biological weapons against the West, while simultaneously engaging in the constant expansion of tank production, concentrating these tanks along the borders of Western Europe and just "waiting for the right moment to attack."<sup>12</sup>

This kind of tendentious approach, slander and lies about the socialist countries are characteristic of almost all congressional material of the 1970's. For example, papers submitted to the Joint Economic Committee in 1974, in particular, expressed the hope that more intensive trade and economic contacts between the United States and the socialist countries would require "economic decentralization" from the countries of Eastern Europe, which, in turn would lead to "weaker political control." Statements of this kind were used as a basis for absolutely serious conclusions (and this was in the mid-1970's, in papers submitted to the highest legislative body) about "the narrow base of public support for the Eastern European regimes."<sup>13</sup> Identical statements were also made in congressional papers of the late 1940's and early 1950's.

Fabrications about "evolutionary changes" in the socialist countries were included with increasing frequency in congressional materials of the 1960's and 1970's. The very term "evolution" acquires an extremely tendentious sound in the mouths of American legislators. The characteristics of the "evolution of socialism" included activities by rightist counterrevolutionary forces, such as, for example, those which tried to put an end to socialism in Czechoslovakia in 1968.<sup>14</sup>

In August 1978, many statements were made in Congress in connection with the "10th anniversary of the occupation of Czechoslovakia." The U.S. mass media launched a noisy campaign of reminiscences about "socialism with a human face"--in other words, the unsuccessful attempts of rightist revisionists, working together with reactionary forces in the West, to impede the CSSR's progression toward socialism. This campaign was even supported in the U.S. Congress. On 3 August 1978, Senator J. Heinz (Republican, Pennsylvania) said that the United States should announce its "disapproval of the continuing occupation of Czechoslovakia."<sup>15</sup> On 21 August 1978, extensive debates on Czechoslovakia were held, at which time pointed anticommunist and anti-Soviet statements were made by Senators A. Stevenson (Democrat, Illinois), H. Williams (Democrat, New Jersey), E. Zorinsky (Democrat, Nebraska) and D. Moynihan (Democrat, New York). The senators demanded that the U.S. President support the Senate and "use his influence and authority to put an end to the continuous intervention in Czechoslovakia."<sup>16</sup> In this way, on the basis of crude distortion of the interrelations within the socialist community, and with the use of instigative terminology, the senators advised the administration to directly intervene in the domestic affairs of the socialist countries.

Interpreting all measures taken in the Eastern European countries for the purpose of the further socialist democratization of domestic political institutions as some kind of "evolutionary changes," Congress has frequently initiated various measures in the 1970's to slow down the development of international detente. Despite the realization of the indisputable fact that "detente has progressed" (Senator C. Percy), the Senate has always supported the activities of "Radio Free Europe" and "Radio Liberty," which have served for many years as one of the main instruments of "psychological warfare" against the socialist countries.<sup>17</sup>

Congress has not even changed its position on this matter in the 4 years that have gone by since the successful completion of the Conference on Security and Cooperation in Europe. The role of these radio stations, whose connections with the CIA have been documented, is still defined as an important factor of "psychological warfare" against the socialist community.

This reflects the tactic Congress began to employ after Helsinki. Another sign of this was the creation of the so-called "Commission to Oversee the Fulfillment of Agreements Signed in Helsinki" in Congress in 1976.<sup>18</sup> It was headed by Congressman D. Fascell. The members of this commission attempted to establish unilateral "control" over actions that were purely within the domestic jurisdiction of the socialist countries. This was precisely how the Eastern European countries interpreted the activities of the commission when they refused to issue visas to commission members who were preparing to make an "inspection tour."

In 1974, Congress passed the Trade Act with the inclusion of the Jackson-Vanik and Long-Gravel amendments, which were of a discriminatory nature. The passage of this law considerably harmed the further development of U.S. trade and economic contacts with the socialist countries. They quite

justifiably saw this as intervention in their internal affairs. As we know, as early as 23 December 1969, Congress approved a bill, and sent it on to the President, which envisaged some relaxation of the restrictions on the export of American goods to the socialist countries (it was supposed to replace the notorious "Battle Act"). Vice-President W. Mondale (who was then a senator), as one of the initiators of the bill, called it the "first significant step taken by Congress after World War II for the liberalization of trade."<sup>19</sup> In comparison with this, the Trade Act of 1974 is a step backward. The passage of the law by Congress reaffirmed how strongly its members still adhered to anticommunism in their thinking.

Even the noble idea of struggle to ensure human rights has been given an absolutely distorted interpretation on Capitol Hill. Closing its eyes to the scandalous fact that a substantial part of the U.S. population has no human rights, and to the harsh suppression of these rights in countries with repressive regimes, ruled by military dictatorships (such as Chile, Nicaragua, Uruguay, Argentina and Paraguay) which receive generous military support from the United States, ignoring the obvious violation of human rights in China, where the Maoist clique, in addition to suppressing the rights of its multimillion-strong population, has now unleashed armed aggression against the Vietnamese people, and rendering colossal assistance to Israel, which is brutally suppressing all the rights to existence of the Palestinian Arabs, Congress constantly declares its "concern" about the status of human rights in the European socialist countries--that is, in precisely the location where they are being exercised most fully and harmoniously. Papers prepared for the Congress in 1977 made special mention of some individuals in the Eastern European countries who had devoted their life to harming the interests of the socialist state. Moreover, the actions of certain renegades (or "dissidents," according to the terminology used in these papers) are pointed out as examples of "activity" having the purpose of "improving" socialism and making it more "humane."<sup>20</sup>

A characteristic example of Congress' "concern" about the development of democracy in the Eastern European countries and an illustration of the incredible tenacity of anticommunist stereotypes can be found in a debate in the House of Representatives over ways of commemorating "Enslaved Nations Week" that year (in 1978!). For more than 20 years now, all of the countries of East Europe, the socialist states in Asia and the republics of the USSR have been included among these. Moreover, this propaganda has not only distorted their names, but has even invented nonexistent countries (for example, we find mention of "Kazakiya," "Turkestan," "Siberia" and the "Urals").<sup>21</sup>

This tactic is consistent with the actions of some representatives of the current administration and with the "moralistic approach" to problems in international relations in general and problems in the development of inter-relations between the United States and the socialist countries of Europe in particular, meaning that Washington allows itself to recommend lines of domestic policy conduct to certain socialist countries.



Naturally, it would be wrong to close our eyes to the fact that the process of detente is definitely affecting the American legislators.

Specific examples of the positive effect of the changes accompanying this process on Congress can be found in statements in support of the cancellation of the discriminatory restrictions that still exist in U.S. trade relations with some socialist countries. This has been advocated, in particular, by Senator H. Williams (Democrat, New Jersey) and Congressman M. Biaggi (Democrat, New York).<sup>22</sup> The reassessment of trade and crediting practices has even been suggested by the authors of the discriminatory amendments to the 1974 law-- C. Vanik and A. Stevenson.

Voices can also be heard in the Congress protesting the slander of the socialist countries in Europe. On 1 August 1978, Congressman J. Fary (Democrat, Illinois) declared that movies such as "The End" (an anti-Polish lampoon) represent "an unforgiveable insult to the Polish people...and evidence of how low American behavior can sink."<sup>23</sup> He proposed the banning of this film from American movie screens.

In many recent cases, congressmen have recognized current realities and the irreversibility of tendencies strengthening the atmosphere of good will and increased trust between states belonging to different sociopolitical systems. This approach was particularly apparent during the Soviet trips made by Senate delegations in the fall of 1978 and January 1979 and by a group of congressmen this April. They spoke in favor of the further normalization of American-Soviet relations, the immediate conclusion of a strategic arms limitation agreement and the expansion and intensification of contacts between the East and West in general. The same tendency was seen when parliamentary delegations from the socialist countries visited the United States and took part in constructive dialog with American congressmen.

All of this allows us to hope that the realistic tendencies in Congress' approach to the complex sphere of U.S. relations with the socialist countries of Europe and the further reassessment of the stereotypes used by Congress as a guide for decades will gradually prevail over recurrences of cold war thinking.

#### FOOTNOTES

1. "Executive Sessions of the Senate Foreign Relations Committee (Historical Series)," vol 1, 1947-1948, Washington, 1976, p 211.
2. Ibid., p 230.
3. "Executive Sessions...", vol 11, 1949-1950, Washington, 1976 p 23.
4. Ibid., pp 415, 423.



5. "Executive Sessions...", vol I, p 232.
6. "Executive Sessions...", vol II, p 24.
7. W. Fulbright, "The Crippled Giant," N.Y., 1972, p 24.
8. See, for example, "Review of the World Situation: 1949-1950," Hearings Held in Executive Session Before the Committee on Foreign Relations, U.S. Senate (Historical Series), Washington, 1974, pp 110, 318, 388.
9. "East European Economies Post-Helsinki," A Compendium of Papers Submitted to the Joint Economic Committee, Washington, 1977, p 508.
10. Ibid., p 504.
11. "The Cold War: Origins and Developments," Hearings Before the Subcommittee on Europe of the Committee on Foreign Affairs, House of Representatives, 7, 11, 14, 18 June 1971, Wash., 1971, pp 7, 15, 165, 217.
12. CONGRESSIONAL RECORD, 23 August 1978, p S14215.
13. "Reorientation and Commercial Relations of the Economies of Eastern Europe," a Compendium of Papers Submitted to the Joint Economic Committee, 16 August 1974, Wash., 1974, p 3.
14. See "Czechoslovakia 1968. Report to the Committee on Foreign Relations by Senator Claiborne Pell," Wash., 1968, p 7, 8; "Report of Senator Mike Mansfield to the Committee on Foreign Relations, U.S. Senate," Wash., 1968, pp 2-7.
15. CONGRESSIONAL RECORD, 3 August 1978, p S12500.
16. Ibid., 21 August 1978, pp S13896-13898.
17. See "Funding of Radio Free Europe and Radio Liberty," Hearings Before the Committee on Foreign Relations, U.S. Senate, 6 and 7 June, 1972, Wash., 1972, p 18; "Report N 92-851. Radio Free Europe and Radio Liberty," 12 June 1972, Wash., 1972, p 6.
18. See, for example, "Human Rights," Hearings Before the Subcommittee on Foreign Assistance of the Committee on Foreign Relations, U.S. Senate, 4 and 7 March 1977, Wash., 1977, p 101.
19. THE AMERICAN REVIEW OF EAST-WEST TRADE, January 1970, p 19.
20. "East European Economies Post-Helsinki," pp 4, 5.
21. CONGRESSIONAL RECORD, 9 August 1978, p H8245; 4 August, pp H7910-7911.
22. Ibid., 20 July 1978, p S11370; 1 August 1978, p E4196.
23. Ibid., 1 August 1978, p H7666.

#### COMMENTS ON GEORGE KENNAN'S BOOK

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pp 87-92

[Article by V. V. Zhurkin]

[Text] In this issue of the magazine, we are beginning the publication of some sections of G. Kennan's book "The Cloud of Danger," translated by M. B. Ender. The introduction by V. V. Zhurkin will give the reader some information about the author and about the contents of the book as a whole.

There is probably no need to give a reader of our magazine a detailed introduction to George Kennan--prominent American diplomat and theoretician of U. S. foreign policy thought, outstanding historian and public official. For several decades, his name has come up often--either in connection with the high diplomatic posts he occupied after World War II (including the positions of ambassador to the USSR and Yugoslavia and head of the State Department's Foreign Policy Planning Group), or as the author of more than a dozen books and a professor at the United States' foremost universities--Princeton, the University of Chicago and the Institute for Advanced Studies in Princeton (where A. Einstein worked for a long time). Kennan now heads the Institute of Russian Studies in Washington, established at his initiative and named after another George Kennan--the writer's uncle, a famous American diplomat of the last century, who worked, in particular, in Russia.

The Kennan Institute is gradually becoming an important research center in the United States. And the head of the institute is successfully combining his fundamental scientific work with extensive social work, taking an active part in measures to promote international, including Soviet-American, relations. The combination of the author's ability to make profound generalizations and his many years of practical experience, as well as his connections with public life in the nation--this is the basis on which Kennan's books come into being, including "The Cloud of Danger."

The history of the conception of this book is indicative. The author says in his introduction that it was engendered by profound worries about the fate of U.S. foreign policy in connection with the fierce struggle over detente and the choice of a course of future behavior for the nation in the international arena and, above all, in Soviet-American relations. Putting his other work aside, G. Kennan wrote his book, as he himself says, "in one breath." When the book was published, it immediately aroused great interest in the United States and the rest of the world, gave rise to heated debates and represents an important contribution by this prominent researcher to the ongoing political struggle in the United States.

A few sections of the book, which will be of greatest interest to our readers today, are published below.

As G. Kennan stresses, "Soviet Russia is the central problem in American foreign policy," a "problem which surpasses all others in terms of importance and complexity, and on the approach to which many others aspects of American policy depend." But Kennan's book, which is subtitled "Current Realities of American Foreign Policy," also encompasses other important spheres of U.S. foreign policy activity and essentially all of its main political and military aspects.

It must be said that Kennan's feelings about the Soviet Union have undergone various stages. During the cold war, G. Kennan was one of the people responsible for these events. It was precisely Kennan who was "Mister X"--the author of the notorious article printed in the July 1947 issue of FOREIGN AFFAIRS, in which the fundamentals of the policy of Soviet "containment" were set forth. Kennan also made many statements and wrote many works which substantiated the hostile course of U.S. policy toward the Soviet Union and the socialist countries, for which he has repeatedly been criticized by Soviet journalists and scholars. But Kennan is also one of the American public figures and scholars who did not get stuck in the cold war track, who are paying attention to the course of historical events and who are attempting to draw objective conclusions from these events.

This gives all the more weight to the basic ideas expressed by G. Kennan in recent articles and in "The Cloud of Danger," which resulted from a sober analysis of the realities of our era, and to his persistent appeals for broader and deeper detente in Soviet-American relations, based on the principles of equality and strict observance of the interests of both parties. It was this approach that caused militaristic circles in the United States to heap criticism on Kennan.

Nevertheless, Kennan has not deviated in the least from the major goal to which he has devoted his entire life--the defense of U.S. national interests and a struggle to realize these interests in the international arena, including the sphere of Soviet-American relations. International developments during the three postwar decades have convinced G. Kennan, just as many other prominent figures in the United States, that the United States' real interests will not be secured through the escalation of international tension.

but through a search for ways of improving the atmosphere on our planet. In a number of interviews he has granted in recent years, G. Kennan has admitted that the cold war policy is unwise, unsound and dangerous.

The basic thesis set forth in "The Cloud of Danger" is an appeal to bring U.S. foreign policy in line with the internal and external realities of the present era and seek the realization of national interests in the general direction of detente.

In his analysis of domestic political realities, which are influencing foreign policy-making in the United States, G. Kennan passes a harsh sentence on the dangerous and destructive activity of the military-industrial complex, which is having a militarizing effect on all national life. The author casts suspicions on the expediency of excessive congressional involvement in the daily practice of foreign policy and analyzes the distabilizing effect of the United States' growing dependence on foreign oil on the national economy and politics.

Kennan advises that the nation focus its attention on genuine priorities--the urgent need to solve such domestic problems as "the disintegration of some of our great cities and, above all, the greatest of them--New York," the rising rate of crime, inflation and unemployment, "the chaotic and shamefully inadequate system of public transportation," the declining standards in the sphere of education, corruption in the mass media, "the shameful phenomenon of the uncontrolled spread of pornography," the serious inability of the American press and radioelectronic mass news media to inform and educate the American public in matters of foreign policy" and, finally, the continuing destruction of the natural environment.

We cannot say that all of these judgments are of equal value. Kennan, as the readers of his works know, occupies an extremely conservative position on several of the domestic problems of contemporary American society. This is also reflected in "The Cloud of Danger." For example, he objects strongly to worker strikes, criticizes the labor movement, takes a skeptical view of efforts in the sphere of social security, etc. But the prior list of urgent social problems in the United States quite eloquently describes the major signs of real crisis in American society today. The practice of diverting huge sums to the channel of military expenditures, which are closely connected with expansionist policies, is escalating and intensifying these social problems. The United States' domestic problems, Kennan reiterates, dictate the need for a more circumspect and realistic foreign policy.

The circumspect policy proposed by G. Kennan is not always consistent, and sometimes even fits directly into the framework of traditional U.S. foreign policy guidelines, which have given rise to the very difficulties he criticizes. This is particularly apparent in the discussion of Kennan's suggested approaches to relations with the United States' allies. Kennan favors a "selective" line; he advocates the concentration of efforts on stronger relations with the chief allies--the Western European countries and Japan--and also (with certain restrictions) on stronger relations with

Israel. He proposes that U.S. "foreign commitments" be reduced to the "necessary minimum." "I see this minimum," Kennan writes, "as the preservation of the political independence and military security of Western Europe, Japan and Israel, on the sole condition that this must not lead to the mobilization and involvement of American armed forces."

Judging by these statements alone, Kennan takes a stand of consistently defending U.S. ruling class interests.

This has obviously also influenced Kennan's views on some other aspects of contemporary international life. For example, he complains that independence was granted "prematurely" to Angola and Mozambique and opposes those who support Namibian independence and advocate the exertion of pressure on South Africa by reducing economic relations with this country. In the NATO zone, Kennan suggests the build up of American armed forces.

Therefore, Kennan's appeals for realism, we feel, are contradictory.

The traditional position of Western scholars and politicians can be discerned in many aspects of Kennan's work, and this is clearly felt in the chapters published below. For him, the Western world is naturally the world of "democracy" and contemporary China is a "communist power," and he believes this in spite of the Beijing leaders' flagrant distortion of the fundamentals of socialism and their aggressive foreign policy. Kennan tends to regard the economic difficulties now being experienced by the capitalist world (in the field of energy and other areas) as problems common to the entire world economy.

At the same time, the author of "The Cloud of Danger" definitely shows himself to be a farsighted and realistic thinker in his analysis of a broad spectrum of international problems and the ways of solving them. He takes an extremely critical view of the myth of the "Soviet threat," on which the Western system of grounds for military preparations against the USSR is based, commenting that "not one element of this is true." In his discussion of the Middle East, he pointedly stresses that "Soviet-American mutual understanding with respect to the broad group of Middle Eastern issues" is an essential condition for a settlement in this explosive part of the world. Kennan proposes the "total and complete transfer of the Panama Canal to the Panamanians," "withdrawal from the state of military involvement" in Korea, and the liquidation of American military bases in the Philippines.

Kennan has much to say about the attempted reideologization of U.S. foreign policy, which is being carried out under various kinds of moralistic slogans. In reference to this, he ironically comments that it is difficult to see any promise in an American policy which claims that it will correct and improve the political foundations of large segments of the world population." Kennan stresses that the United States has no right "to allow itself to waste our attention, our energy and our resources on the dreams of bettering the world, the pursuit of global involvement and power and the moralistic



poses that are so characteristic of the American political temperament and the rhetoric of our public life." Kennan, just as many other prominent political and public figures in the United States, is striving to make foreign policy more realistic and advocating a search for mutually acceptable decisions in relations with other states.

Finally, one other exceptionally important sign of Kennan's political acumen must also be mentioned: His insistence that American politicians must not give in to the dangerous temptation to play up to Beijing on an anti-Soviet basis. Kennan describes this temptation as an "American mental aberration" in regard to future U.S. relations with China. "It is difficult to find the words," Kennan writes, "to express how strongly I condemn any proposition of this kind." The desire to guard his nation against the dangerous political adventurism to which some Washington officials are inclined, ignoring the extreme danger of their rash political maneuvers around the "Chinese card," clearly proves that Kennan is a politician of great scope.

These distinctive traits are most vividly manifested in Kennan's analysis of the nature, dynamics, stimuli and prospects of Soviet-American relations. We repeat that Kennan is a Western politician and theoretician. He has never accepted the Soviet order or socialism; he has always been a confirmed supporter of the bourgeois ideology. In other words, in the ideological struggle he is on the other side of the barricade. Some of his statements about our order and our life must be quite resolutely denied. Although Kennan advocates widespread progress in the normalization of Soviet-American relations on a constructive basis, he naturally does this only because this, in his opinion, is truly in the interests of the United States.

For this reason, G. Kennan consistently favors more rapid progress toward the limitation, and then the reduction, of strategic weapons, and the quickest possible conclusion of a total nuclear test ban treaty. He suggests that the NATO countries give thorough consideration to the proposal of the Warsaw Pact states that nuclear nonaggression pledges be taken by all signatories of the Final Act of the all-European conference in Helsinki. Kennan gives a great deal of attention to the problem of the limitation and reduction of conventional weapons and armed forces, appealing above all for the "exertion of maximum effort" to successfully conclude the Vienna talks and accomplish the reduction of armed forces and arms in Central Europe. Kennan supports a broad program of measures aimed at curbing the arms race and reducing the danger of war.

Kennan quite pointedly criticizes the current American approach to trade relations with the USSR, based on a system of discriminatory measures. The attempts to win political concessions from the Soviet Union with the aid of such measures, Kennan writes, are "wrong and, in any case, not even feasible." Ridiculing this policy, Kennan says that the supporters of these views believe "that our consent to trade with another country is some kind of favor on our part, for which the other side must pay a political premium

in addition to the usual commercial price." Kennan rightfully calls calculations of this kind naive and reiterates that Soviet-American trade is economically quite profitable for the United States.

Touching upon problems in Soviet-American scientific, technical and cultural ties, Kennan stresses that "Soviet authorities seem to have made a conscientious attempt to fulfill their part of the bargain in these areas." Pointing out the fact that the number of experts participating in exchange programs increased by a minimum of 300 percent after the conclusion of a series of Soviet-American agreements on scientific and technical cooperation, Kennan states that "great results could be achieved by both sides." As for the view now current in some American circles, that the United States supposedly has nothing to gain from scientific, technical and cultural contacts with the Soviet Union, Kennan calls it "limited and provincial." Closer contact between the Soviet and American people in these spheres, in Kennan's opinion, will indisputably be mutually beneficial.

The main conclusion to which Kennan's book leads the reader is that detente is not a gift from the United States to the Soviet Union (just as, incidentally, it is not a gift from the Soviet Union to the United States either), but a historical inevitability and the only intelligent way of preserving the human race, a way in which the American and Soviet people and the people of all other countries are absolutely equally interested.

A heated debate is going on in the United States over the future of detente. The sober voice of G. Kennan--diplomat, scholar, politician and defender of a policy corresponding to U.S. national interests--is clearly heard in this debate.

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CSO: 1803

THE CLOUD OF DANGER. CURRENT REALITIES OF AMERICAN FOREIGN POLICY

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 79  
pp 92-98

[First installment of a translation by M. B. Ender of some sections from the book "The Cloud of Danger. Current Realities of American Foreign Policy" by George F. Kennan, Little, Brown and Company, Boston-Toronto, 1977]

[Not translated by JPRS]

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## SOVIET-AMERICAN SCIENTIFIC AND TECHNICAL COOPERATION

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 79  
pp 99-103

[Article by E. A. Aykazyan]

[Text] The Sixth Session of the Joint Soviet-American Commission on Scientific and Technical Cooperation was held in Moscow in February 1979. This commission was created in accordance with the 5-year agreement signed on 24 May 1972 by the governments of the USSR and the United States on co-operation in the area of science and technology. In July 1977 a new agreement was signed to extend the period of cooperation in this area to the next 5 years.

The Soviet delegation at the session was headed by Academician V. A. Kirillin, deputy chairman of the USSR Council of Ministers and chairman of the GKNT [State Committee of the USSR Council of Ministers for Science and Technology], and the American delegation was headed by Dr F. Press, the American President's adviser on science and technology.

The head of the American delegation was received by Chairman A. N. Kosygin of the USSR Council of Ministers. The development of bilateral Soviet-American relations in the area of science and technology was positively assessed. The tremendous significance of science and technology in contemporary life was noted, as well as their all-encompassing effect on various facets of human activity. A. N. Kosygin pointed out the fact that the development of cooperation in this field will promote international detente and the improvement of Soviet-American relations.

During this session, the commission took a look at the results of the work that had been done in connection with this agreement since the time of the Fifth Session, which was held in Washington in July 1977.

Speakers touched upon a broad group of issues in such branches and fields of science and technology as chemical catalysis, electrometallurgy and materials, microbiology, physics, metrology, water resources, forestry, computer-aided management, scientific and technical information and scientific policy.



The Sixth Session of the Joint Soviet-American Commission on Scientific and Technical Cooperation is called to order. Introductory speech presented by Deputy Chairman V. A. Kirillin of the USSR Council of Ministers, GKNT chairman

When the results of joint efforts in this area were summarized, they were given a positive evaluation. Participants agreed unanimously that definite progress had been achieved in carrying out programs and that many of the joint projects had led to mutually beneficial practical results.

If we try to picture the status of joint action in specific fields, we can see approximately the following. Let us begin with chemical catalysis.

Studies in this area are being conducted in three basic fields: the engineering problems of catalysis; fundamental problems in catalysis; the investigation and determination of catalytic reactions. Among these projects, the work being done on the modeling of catalytic processes and reactors is of greatest scientific interest. Important questions connected with the kinetics of complex catalytic processes have been investigated, and the mathematical bases for the construction of kinetic models and the dynamics of chemical processes and reactors have been determined. The results of this work are discussed at annual symposiums held alternately in the USSR and the United States. In 1978 this symposium was held in Baku. More than 50 articles on the results of this research have been published in Soviet and American scientific journals.



Noticeable progress has been made in electrometallurgy. Specialists from both countries have been working on the cathode ray volatilization of metallic and non-metallic materials and the development of extra-hard materials. For this purpose, hard-metal cutting instruments have been covered with a hard coating with the aid of various methods at the Institute of Electric Welding imeni Ye. O. Paton, the University of California and the Man Labs firm. Models have been exchanged and tested. The tests have shown that the service life of the new instruments is 2-8 times as long as that of instruments without this coating, depending on their hardness and the type of engineering steel used. Joint projects on the development of technology and equipment for cathode ray volatilization were also conducted as part of this program. The specialists worked with a Soviet cathode ray gun and an American vacuum volatilization chamber.

The results of joint work on the arc welding of metallic materials and on submerged-arc welding are of theoretical and practical interest. A large-scale program of joint work has been drawn up in connection with the metallurgy of fusion welding, the cryogenic techniques of welding and the combination of materials in a hard state.

Energetic work is being performed in the area of microbiology, particularly in connection with such projects as "Single-Cell Protein," "The Genetics of Micro-Organisms" and "Microbiological Means of Insect Control." Seven joint scientific projects were completed; during the course of these, there was a mutual exchange of scientists who had been working in laboratories in both countries for almost a year now. Boverin, a Soviet compound, is undergoing field testing in the United States, and Cheirsutella, an American entomopathologic culture, has been turned over for testing by Soviet scientists. During this time, four joint conferences were held in the USSR and one in the United States, during the course of which specialists visited scientific centers and laboratories in both countries. Seminars on microbiological means of insect control and on ferment reactions were particularly productive. The results of these conferences and seminars have been given press coverage.

In recent years, cooperation between the USSR Academy of Sciences and the U.S. National Academy of Sciences in the area of physics has become much more active. Here cooperation mainly takes the form of a scientist exchange program and the organization of joint seminars and symposiums. For example, the meeting of the research group investigating condensed substance theory was successful. It was attended by 12 Soviet and 25 American physicists; the conference was held at a physics center in the American city of Aspen in mid-1977. Another interesting seminar was the one on cosmic X-ray sources, which was held in the Soviet city of Protvino in August 1977. It was attended by 13 American and 25 Soviet astrophysicists. Soviet astrophysicists visited the United States in July-August 1978 to attend a seminar on quasars and active galactic meteors; at this same time, American physicists were attending a seminar in the USSR on absorption and transference phenomena in the plasma created by laser radiation.

Pointing out the positive results of the joint work in the field of physics, the joint commission approved of the operational group's proposal concerning its extension, particularly into the following areas: the interaction of laser radiation and substances; particle physics; mathematical physics, the quantum dynamics and reactive properties of large molecules.

Cooperation by the two countries in the area of metrology is being developed successfully. Interesting experiments have been conducted in the comparison of several standards, the development of an automated information system on standards and the investigation of standard reference data. International tables of the thermodynamic properties of argon, ethylene and carbon dioxide have already been constructed and published, and the basic thermochemical values have been agreed upon for 50 elements and more than 300 chemical compounds.

Work is now going on in the study of water resources--namely, a comparative analysis of accepted Soviet and American methods and means of the multi-purpose use of water resources and the development of a single methodological basis for the resolution of important problems in water management under the conditions of intensive economic development. An analytical survey has been compiled on the subject of "Experience in the Hydraulic Analysis of Large Earth Canals in the USSR and the United States." It will be published in Russian- and English-language editions.

Interesting joint projects are being conducted to investigate ways of improving planning methods, construction norms and materials for anti-filtration screens in canals and reservoirs. Polymer film samples have been exchanged, their laboratory testing has been completed and field experiments have been begun. In the Soviet Union, field experiments with polymer film are being conducted in nine experimental sections of the Black Sea Branch of the North Crimean Canal, and in the United States this film is being tested in the Amarillo Canal (New Mexico).

Soil-fastening stabilizers used on the banks of canals and slopes are being extensively examined in both countries in accordance with this program. The purpose of this research is to determine the physical, chemical and agro-technical properties of the stabilizers and prepare recommendations for their use. In connection with this, a Russian-English dictionary of film and stabilizer terminology has been compiled and published.

Cooperation in the field of forestry has been satisfactory on the whole. Joint research into the chemical biological and microbiological protection of forests against pests and diseases has been particularly intensive. Here, just as in other areas of cooperation, the exchange of specialists, scientific and technical information and seeding materials was conducted.

Problems in computer-aided management are being investigated as part of the projects on "Econometric Modeling," "The Theoretical Basis of Mathematical Software for Computers Used in Economics and Management" and "The Use of Computers for the Improvement of High-Level Administrative Personnel." Last

year around 20 meetings were held for specialists working in all of these areas of cooperation. Most of them were connected with the work on specific projects. Special mention must be made of the Soviet-American research on computer programming for the resolution of mathematical and statistical problems, the language of high-level programming and the structure of data bases for information systems. There was a productive exchange of views at a seminar on modeling on the level of the firm and enterprise, organized in conjunction with the American-Soviet Trade and Economic Council, and at a seminar on economic mathematical models for the national and regional levels. Interesting information-processing projects are being conducted for the study and improvement of administrative personnel, including business role-playing and specific situations from the area of foreign trade. Jointly compiled dictionaries of statistical and mathematical terms have been published in the United States.

In the field of scientific and technical information, Soviet and American specialists have developed and tested many elements of a standard communications format for the exchange of bibliographic data. The use of this format will considerably simplify the exchange of data between organizations and offices of scientific and technical information in the two countries. The report on the standard communications format, presented at the international UNESCO conference on the exchange of bibliographical data in June 1978, was highly commended by the scientists.

The group working on scientific policy has successfully completed its program of cooperation in the projects entitled "The Financing of Research and Engineering" and "The Training and Utilization of Scientific and Engineering Personnel." Further cooperation in this area will be concentrated in the following two fields: "Systems for Stimulating the Development of Fundamental Research" and "The Planning and Management of Applied Research and Design and the Resources for this Purpose." The main form of bilateral work will be the exchange of scientists and specialists for the purpose of familiarization with the activities of scientific-production associations in the USSR and industrial associations and individual firms in the United States with a great deal of experience in the management of scientific research and development.

In accordance with a Soviet-U.S. agreement of 8 July 1977, executive agencies in both countries are obligated to encourage and promote cooperation in the area of science and technology within the framework of other Soviet-American intergovernmental agreements. In connection with this, reports on the progress in Soviet-American cooperation in environmental protection<sup>1</sup> and power engineering were presented at the Sixth Session of the joint commission.

1. For more detail, see I. G. Vasil'yeva and V. I. Sokolov, "The Seventh Session of the Joint Soviet-American Commission on Cooperation in Environmental Protection," SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 5, 1979.

In particular, there has been active cooperation in the field of power engineering with respect to hydromagnetic energy conversion. As we know, the method of the direct conversion of thermal energy into electricity with the aid of hydromagnetic generators could raise the efficiency factor of thermal power stations to 50-60 percent. This would mean the use of 25-35 percent less fuel than in the best contemporary thermal stations. Since 1973, Soviet and American scientists have been conducting joint experimental and theoretical studies in accordance with a coordinated program for the purpose of developing highly efficient hydromagnetic generators.

An important stage in this work was the development and construction of a Soviet U-25B hydromagnetic unit to be used in combination with a large American superconductive magnetic system, unique in terms of its parameters and purpose, which was shipped to the USSR in June 1977.

This kind of assembly is now undergoing joint testing at the Institute of High Temperatures of the USSR Academy of Sciences. The test results will be of great significance for the development of an industrial unit and the establishment of hydromagnetic electric power stations on this basis.

The commission noted the importance of the work on energy information and forecasting for both countries and commented on the need for more effective efforts in this area.

Placing great importance on Soviet-American cooperation in the resolution of major scientific and technical problems, the two sides proposed the further expansion of this cooperation under the supervision of the joint commission. In connection with this, a decision was made to create an experimental group for the organization of research into the corrosion and anticorrosion protection of metals, and to study the possibility of joint work on problems in heat and mass exchange, as well as in the earth sciences and polymer chemistry.

The effectiveness of scientific and technical cooperation was given special attention at the Sixth Session of the joint commission, just as at the Fifth. Experience has shown that this effectiveness depends not only on the correct planning and good organization of joint undertakings, regular contact between co-chairmen of task forces and project coordinators and many other organizational matters, but also on the choice of subject matter, specific projects and joint research programs.

Taking all of this into account, the commission established a procedure for carrying out cooperation in accordance with the status of the work. In particular, this procedure envisages the sequential choice of new fields and research topics, which will allow for more precise determination of the degree of interest taken by the two sides in joint studies on specific topics and projects, results and conclusions, and will permit the more realistic assessment of the capabilities of the two sides.

The Sixth Session of the Joint Soviet-American Commission on Scientific and Technical Cooperation was a successful one. It summed up the results of work performed since the last session and outlined a program for the future.

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**MICROPROCESSOR: THE LATEST IN ELECTRONICS**

**Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 79  
pp 104-111**

**[Article by A. S. Konson]**

**[Not translated by JPRS]**

**CSO: 1803**

## BOOK REVIEWS

### American Mass Media

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 79  
pp 112-116

[Review by Yu. M. Kagramanov of the book "American Mass Media. Industries and Issues," edited by R. Atwan, B. Orton and W. Vesterman, New York, Random House, 1978, XX plus 475 pages]

[Text] This collection contains what the compilers regard as the most significant articles and excerpts from studies published on this subject in the United States in recent years (mainly between 1974 and 1978). The main purpose of the work is stated as a study of the interrelations between big business, creative talent and the so-called "mass society"—this is the term used by bourgeois philosophers and sociologists to signify the modern society in which industrialization destroys the personality of the individual and makes him part of the "mass."

The point of departure for the practices of the contemporary bourgeoisie "mass media" is, as we know, the rejection of the ideals of enlightenment, which, for example, R. Powers ascertains empirically, using television programs as an example, as the absence of a "sense of mission" or "sense of continuity" (p 400). This kind of deviation is common to the entire capitalist world, but in the United States it was accomplished faster and easier for a number of reasons. In the view of prominent historian and media expert D. Burstein, the main reason is the relatively weak and precarious position occupied by high culture in America. "Our high culture is one of the least centralized spheres of our culture. Our universities represent the fragmented, absent-minded, chaotic and individualist side of our life" (p 47). In contrast, the production of "mass" culture in the United States has been organized, centralized and perfected as nowhere else in the world. A powerful and technically highly developed network of mass media has been created for this purpose.

This scheme probably explains (although, just as any other scheme, it has been necessary to stretch a few points) why the United States is "ahead" of the other bourgeois countries in the creation of a truly mass culture.

It must be borne in mind, however, that the main factor giving rise to this phenomenon--which is common, we repeat, to the entire capitalist world--is not found in the mechanisms of culture, but in the economic and social practices of the latest stage of capitalism, which dictates a purely pragmatic and practical approach to aesthetic, ethical and other values. The high goals and lofty ideals distinguishing high culture are not "in demand" (as N. Ye. Saltykov-Schedrin once wrote, "there is no demand for noble thoughts").

The same pragmatic aims explain the extreme impermanence of some of the aspects of "mass culture" written about by Burstein. In his words, the "popular"--that is, "mass"--culture of America is particularly distinguished from the "popular" culture--that is, folk traditions and folklore--of the Old World by its failure to value the heritage of the past and, on the contrary, its tendency to foster a taste for the "new" and the fleeting. The prototype of impermanence is advertising which constantly arouses interest in something new and thereby constantly contradicts itself. Many American authors have recently given special attention to this side of "mass culture"--the ephemeral nature of judgments, the "rules of the game" and the omnipotence of the current fashion.

The entertainment industry, in turn, largely follows advertising--a variety of "mass" cultural production which the public generally perceives quite absent-mindedly but which has been given a great deal of attention by specialists for a long time. The advertising business is the most labor-intensive branch of the culture industry; it is also the most, so to speak, dynamic branch. It cannot get along without constant "innovation" and, for this reason, is, in some respects (the development of characters, tastes and so forth), "ahead" of the rest of the culture industry and is leading this industry. At the same time, advertising reflects some of the stable characteristics of American "mass" or "popular" culture. For example, according to Burstein (who contradicts himself here to some extent), the stylistic formula of advertising--simplicity and comprehensibility plus exaggeration--goes back to the puritan era and "frontier" folklore; the psychological parameters of advertising--the desire to possess and optimism--are also completely traditional. Besides this, we could add that advertising reflects another constant of the "American way of life": the energy and cynicism of the seller. The length to which contemporary advertisers and advertising experts will go in this field are attested to, for example, in M. Elias' article on children's advertising: The author says that this advertising is addressed directly at children; working on the frail juvenile subconscious, it gives rise to a multitude of capricious demands which the parents must then satisfy, if, naturally, they are in a position to do this.

Advertising is also the major link in the plan to connect the media with big business. In principle, we could agree with B. Shanks, who says that "what counts" here is a group of interrelated factors, and that the advertiser, and particularly the television sponsor, represent "only part of a complex system" (p 56). But we must clarify that this is an exceedingly important part. It is a well-known fact that the advertiser, who actually

represents all of monopolistic America, has the last word: In view of the relative weakness of state control, it is precisely the collective advertiser who carries most of the burden of conservative concerns. Among the other factors that "count," special mention should be made of the factor of competition--both between individual branches of the media and within each branch.

For some time, so-called public broadcasting, which has evolved out of academic or educational television, has represented a kind of oasis, free of television's usual commercial pandemonium.<sup>1</sup> In addition to its purely academic objectives, it is also carrying out a kind of cultural mission. Its position in broadcasting is an extremely modest one, but big business is nonetheless gradually gaining control over this area as well. The "corporate Sforza and Medici" are displaying more and more interest in financing "public programming"--this is called "underwriting" and actually represents indirect advertising (announcements such as "this broadcast has been made possible by a grant from such and such a firm"). As a result, as T. Lafai states in an article pertaining to this topic, the difference between commercial and public television in terms of taste, moral positions and so forth is getting smaller and smaller.

Although the documentary portion of "mass" cultural production, in contrast to advertising and the entertainment portion, naturally contains some objective information, preconceptions and selectivity are apparent here as well. This is all the more significant since there has been some expansion of the documentary form in the last 10-15 years: for example, the "new journalism," "cinema-verite," the increased volume of TV news programming, etc. Along with deliberate misinformation--whenever political subjects come up--there is also a kind of adaptation of documented information to the stereotypes of entertainment programs. For example, the selection and grouping of TV news items and the method of their "presentation" tend toward "dramatization" according to the formulas of entertainment broadcasts. "Any material for a news program," R. Frank, NBC news department official, asserts, "displays features of artistic creativity and drama" (p 388). The role of the anchorman is exceedingly important: Although he is a middleman, he represents a consummate figure and strives to interpret the news in accordance with established beliefs and ideological cliches. The same role is played by the newscaster on radio, where the volume of news programming has also increased; there are even some old-news stations. News items--major, medium, and mainly, naturally, minor, but dramatic in nature: A chronicle of crimes and accidents--one right after the other--so as to "hold the attention" of the listener and keep him from turning to another station.

As for the extremely important question concerning the power of the "media" and the extent of their influence on the audience, we find less theoretical postulates on this matter in the collection than empirical judgments, and they mainly apply to television.

In general, a large portion of the book pertains to television: not only the section devoted to television, but also varying portions of the other sections as well.

The extensive penetration of the mass media by elements of "crisis consciousness" has been a characteristic phenomenon of the last 10-15 years. These elements are being stifled and drawn out as much as possible by a tone of optimism, forced happiness and faith in the "American way of life." For example, the old-news stations not only, as B. Bagdikian writes, "satisfy the need for exciting news, but they also imply that nothing irreparable has occurred" (p 270). Nonetheless, echoes of the "crisis" tone are sometimes heard in the most unexpected places: We find an example of this in the article by prominent critic M. Arlen, which contains a brilliant analysis of the popular television comedies produced by Norman Lear. The American television comedy is a genre totally intended to produce psychological comfort and mild humor. Lear's comedies, however, are received in the conventional way only because, as Arlen points out, the appropriate atmosphere is created by a trained television audience. The dominant emotions in the shows, if they are watched with a discerning eye, are anger and irritation; moreover, this anger is not aroused by any kind of specific reversals. It is, so to speak, permanent and has become a constant frame of mind. The tremendous success of Lear's comedies, according to Arlen, is precisely due to this peculiarity: The imperceptible intrusion of negative emotions into an area which has always been the exclusive realm of placidity.

Such subjects as violence and pornography represent an intricate mixture of "anxiety and entertainment." G. Gerbner's article on the "symbolic heritage" is distinguished by the author's serious approach to this painful problem in American society. From time to time, the misuse of violence and sex is condemned by various political figures--congressmen, senators and the candidates for high-level official positions, who hope to earn political capital for themselves in this way. At their suggestion, the appropriate commissions are formed, these commissions engage in a flurry of activity, public statements and announcements are made in the press and so forth. Later, all of this activity gradually dies down and the commissions are dissolved even though their work has produced only negligible practical results or none at all.

Any campaign of this kind, Gerbner states, is doomed to failure by the fact that the establishment cannot refrain from shows of strength, even if only in symbolic form. "Symbolic violence" performs an "educative" function because it clarifies the distribution of roles in society. "Mass" works of art are governed by definite principles in this respect: If the "right people" resort to the use of force, they behave admirably and always triumph. If, on the other hand, the "wrong people" resort to the use of force, they behave badly and they are punished. The concept of "rightness" is rigidly associated with the concept of force. In a struggle between two of the "right people," the strongest one will be the most "right." Since the "right people" almost always occupy the top rungs of the social ladder and the "wrong people" occupy the lowest, the audience is thereby taught to "respect" the existing social hierarchy. It is true that bourgeois theoreticians maintain that the inhabitants of urban ghettos frequently interpret this lesson in their own way: Instead of inspiring humility in them, the depiction of violence allegedly motivates them to take violent action



themselves, thereby promoting a rise in the crime rate. Nonetheless, Gerbner writes, it must be taken into consideration that the "functions of social control assigned to symbolic violence are capable--from the standpoint of 'law and order' if not from the standpoint of mental health--of outweighing its destructive effects" (p 106).

This view of the situation is correct in general but it is also incomplete: It does not take into account the element of decadence present in depictions of violence. In many films, comics and so forth, the savoring of violence goes far beyond the bounds dictated by its functional, "educative" purpose and becomes, to some degree, a goal in itself. From the standpoint of elementary mental health, the depiction of a violent act or a murder should be a more or less extraordinary event and a thematically justified element of the plot (death is an effective element in art, Paul Valery wrote). The ease with which acts of "symbolic violence" are committed sharply raises the threshold of susceptibility and dulls the moral senses. A similar effect is produced by pornography, which also represents a continuous process of drastic means: According to TIME magazine, it is contributing to the "brutalization of the American spirit and is turning American society into the world depicted in 'The Clockwork Orange'"<sup>2</sup> (p 116).

There is one other phenomenon related to the crisis mentality, but it is of a totally different kind: The increasing differentiation of the products of the mass media, in connection with which some authors, especially R. Mazel, have even defended the seemingly surprising thesis that the "decline of the mass media" has begun. In many cases, the nationwide audience has been considerably ignored in favor of audiences distinguished by certain characteristics such as the region in which they live, their ethnic groups, their age, their interests and so forth (but, naturally, not their class: For some reason, no one has displayed any concern for such audiences as, for example, the "worker subculture"). Examples of this can be found in the press, particularly the magazines which are now calculated more and more to appeal to a particular part of the reading public; radio, where local stations are crowding nationwide broadcasting out of the field; and such innovations of recent years as "black radio stations" or the "black film."

It must be said that the most important of the mass media, television, has withstood this tendency to some degree. It is true that even here, local broadcasting hopes to gain a stronghold. A great future also seems to be in store for cassette television. But in any case, TV has now created the kind of nationwide audience that had never even been dreamed of before. It would be premature, however, to believe that TV is serving as a "melting pot" in all cases. After all, the matter does not only lie in the size of the audience, but also in the purpose of programming. Let us consider, for example, the television series based on Alex Haley's novel "Roots," which is the subject of P. Schillaci's article. This series about the fate of the blacks shipped out of Africa by slave traders contains an apology for their contribution to American history and culture and their family "roots." The success of the series was due to the fact that it expressed the characteristic interest in ethnic beginnings of recent years--an interest common to all

Americans but one which has also separated them since their "roots" are not the same. Along with the blacks, Schillaci writes, "other American ethnic groups have become disillusioned with the melting pot theory and have made the same attempt to reconstruct their language, history and culture" (p 38).

And this is not something limited to ethnic minorities. The interest in ethnic beginnings, we repeat, is common to all Americans, including those who never had to give up their language and culture. "Roots" had a record TV audience (130 million viewers) and became, in Schillaci's opinion, "probably the most significant media event of 1977" (p 35). The success of this program, just as the success of the popular "Godfather"<sup>3</sup> in the beginning of the 1970's, testifies that "the call of the land" was heard precisely because the dominant ideology had lost its appeal. The desire arose to rely psychologically on something more solid than the alphabet of traditional "Americanism," on some kind of "universal" and "eternal" living standards. This does not mean that "The Godfather" and "Roots" represented a definite departure from the conventional world of "mass culture": No matter how artfully they depicted the "distant shore"--respectively, Sicily and Africa--they were still stylized depictions.

The final section of this book is largely devoted to prospects for the further development of media techniques and technology. In general, this subject serves as an escape hatch for bourgeois researchers; it allows them to ignore questions about content and to depart the confines of their concrete historical environment. Here, as E. Barnouw admits, the "scenario for the future" of the mass media has been compiled without any consideration for people or, at any rate, with the intention of "keeping them at home and out of the way" (p 427). Seemingly as some kind of compensation, the same section includes Norman Mailer's essay on "graffiti": the multitude of inscriptions, drawings and signatures found on the walls of buildings, the subway, motor vehicles, etc. These "graffiti" are a strange phenomenon, a pitiful modern variety of folklore, with their sole merit being the fact that they are free from technical mediation and the broadcasting mechanism. Therefore, the collection ends on a note of abstract comparison of omnipotent technology to the silent and stifled individual personality.

The main task of the researcher is, however, a comprehensive approach to the topic, based on objective existing social relations, and we do not find this in the book being reviewed. The editors and authors can also be criticized for several other shortcomings: Very little is said about the subordinate position of the media within the framework of the state-monopolistic system or about the secret bonds connecting the media structure to the power structure; the issue of manipulation has been virtually ignored; almost nothing is said about the technique of misinformation; sometimes "mass culture" is off-handedly equated with folklore, but there is not even a rudimentary explanation of their actual connection, which is now becoming an important field for research. In spite of all this, the collection contains valuable material for the Marxist researcher of the mass media and "mass culture."

#### FOOTNOTES

1. For more detail, see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 2, 1977, p 50--Editor's note.
2. S. Kubrick's film based on a novel by A. Burgess depicts a not-distant future when the world will be reduced to two dimensions--violence and sex--Editor's note.
3. A film directed by F. Coppola and based on a novel by M. Puzo. This film with its many subplots contains, in addition to everything else, an apology for Sicilian patriarchal mores--Editor's note.

#### Reorganization of the Executive Branch

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 79  
pp 116-118

[Review by A. A. Voronkov of the book "Executive Branch Reorganization: An Overview, Committee on Governmental Affairs, United States Senate," prepared by the Congressional Research Service, Library of Congress, Washington, U.S. Government Printing Office, 1978, VIII plus 176 pages]

[Text] The reason for the American legislators' increased interest in the subject of governmental reorganization is that the current U.S. President, J. Carter, from his first days in the White House, has made the reorganization of the executive branch one of his administration's main areas of activity. Even during the campaign of 1976, the former governor of Georgia created a reputation for himself, through numerous statements and interviews, as a "good administrator" who wished to put an end to "bureaucratic disorder in Washington" and "heighten the efficiency" of public administration.

The authors of this survey begin their "overview" of executive branch reorganization at the end of the 19th century, when the U.S. Congress made several attempts to analyze various aspects of government organization. This was the time when the idea of "separating policy from administration" first arose; it had a noticeable effect on the formation and functioning of the U.S. Government right up to the end of World War II.

Since the beginning of the 20th century, top-level figures in the executive branch have also been concerned with questions of reorganization. For example, a commission chaired by U.S. Deputy Secretary of the Treasury C. Keep (1905-1909) studied the operational methods of federal departments, and this investigation was of definite practical value: Commission recommendations were used as a basis for making adjustments in such fields of government activity as the keeping of records, the administration of document turnover, the simplification of office work, the organization of purchasing and supplies, etc. (p 13).

There was a new surge of interest in reorganization in the second half of the 1930's. President F. Roosevelt regarded executive branch reorganization as one of the main objectives of his second term in office.

In the 1950's, studies and recommendations in the area of governmental reorganization spread to the sphere of federalism. Questions concerning the relations between government agencies on different levels were raised by a commission headed by M. Kestenbaum (1953), the Joint Federal-State Committee for Action (1957), the Advisory Commission on Intergovernmental Relations (1959) and several others. Problems in the distribution of functions between the central and state authorities were studied, as well as the redistribution of tax revenues and other matters.

As the overview of the Congressional Research Service notes, no "large" commissions were formed for the study of executive branch reorganization during the Kennedy and Johnson administrations, but there were many special task forces investigating individual, more specific facets of this topic. In particular, civil service reorganization was studied by the task forces headed by J. Price and B. Heineman (p 31).

Soon after President Nixon came to the White House, the creation of the President's Advisory Council on Executive Organization was announced. The council was headed by R. Asch, president of Litton Industries. After carefully studying the governmental structure, the "Asch council" concluded that excessive fragmentation of the government structure complicates coordination in the resolution of important problems and that the large number of interdepartmental committees (which had reached 850) was only complicating the decision-making process. For example, in 1971, education was the concern of 9 federal departments and 20 "independent" agencies, public health problems were being investigated by 7 departments and 8 agencies, foreign trade was the concern of 7 departments, and 6 departments were gathering identical information of an economic nature.<sup>1</sup> The result of this kind of fragmentation and dissipation of energy was inefficient public administration. The fundamental reorganization of the executive branch proposed by Nixon, as we know, was voted down by Congress.<sup>2</sup> The legislators took a more favorable view of the reorganization of the Executive Office of the President, within the framework of which the Domestic Council was created and the Bureau of the Budget became the Office of Management and Budget (p 36).

Therefore, as history has shown, the reorganization of the executive branch of the U.S. Government does not represent a group of isolated measures, but a constant process by which the organizational structure of the federal government is adapted to changes in the conditions of its functioning. The characteristics of this process have undergone considerable changes during various stages in the development of the machinery of state under the influence of a number of factors: the general state of the national economy, federal intervention in economic affairs, the relations between the President as the head of the executive branch and Congress, the existence and status of theoretical bases and practical recommendations in regard to federal reorganization and, finally, the political ambitions of top-level figures in U.S.



Government, who regard reorganization as a means of winning popularity, votes and, in the final analysis, influence and power.

The Carter Administration, in the authors' opinion, has an entire set of methods of executive reorganization at its disposal. These include the use of the conventional legislative process (as was the case when the Department of Energy was created), the issuance of special presidential directives (executive orders, memoranda, etc.), and intra-agency reorganization. But the most effective way consists in the submission of "reorganization plans" to Congress, which automatically go into effect in 60 days if one of the congressional houses does not adopt a resolution rejecting the plan. These powers were exercised by each president since F. Roosevelt until Congress let the period of validity of this kind of legislation "run out" in 1973.<sup>3</sup> On 4 February 1977--that is, 2 weeks after President Carter took office--he requested Congress to restore his reorganizational powers. The bill he submitted was adopted by Congress with some modification and went into effect on 6 April 1977 (p 10). According to this law, the President was granted the right to submit "reorganizational plans" to the legislators for examination if these concerned the "reorganization of agencies or their powers, the transfer of administrative subdivisions or functions from one department or agency to another, the termination of old agencies and the creation of new ones to administer transferred functions" (p 40). Congress, however, imposed certain restrictions on the possible types of reorganization and the procedure for examining presidential plans.

Nonetheless, the reorganizational powers granted to Carter, the legislative aspects of which are analyzed in detail in the work being reviewed, have allowed the President to achieve definite results. Among the administration's most significant measures in Carter's first 2 years in office, American specialists have named the creation of the Department of Energy, uniting the Federal Energy Administration, the Energy Research and Development Administration, the Federal Energy Commission and several functions and programs of seven other agencies; the reduction of the number and more efficient organization of the activity of advisory committees; the reorganization of U.S. propaganda agencies, the Executive Office of the President and the U.S. Civil Service Commission. The reorganization of the Executive Office of the President was accomplished by giving the President more control over the elaboration and implementation of particularly important government decisions, centralizing administrative services and reducing the number of administrative agencies and the size of the administrative staff. The reorganization of the Civil Service Commission consisted in a division of its functions between two new agencies--the Office of Personnel Management and a council to oversee public services. At the same time, the principles governing the wages and bonuses of high- and middle-level federal administrative personnel were modified. Therefore, the historical tendency traced by the authors of this survey has been apparent in recent years as well. But the gigantic dimensions of the federal machine, the complexity and intricacy of its structure, the existence of close and carefully organized contacts within this machine and between this structure and the legislative branch, and, finally, the existing system for the distribution and balance of



political influence in line with the structure of executive agencies--all of this will inevitably give rise to overt or covert opposition to all proposed reorganizational measures.

On the whole, however, none of the accomplished or proposed reforms of the government structure (just as any other reforms carried out within the framework of bourgeois society) have affected the bases of state-monopoly capitalism and cannot eradicate its inherent contradictions.

#### FOOTNOTES

1. WORKING PAPERS, January-February 1978, p 24.
2. The main features of the reform proposed by President Nixon have been examined in detail in several issues of our magazine: No 2 for 1970, No 6 for 1971 and No 5 for 1972--Editor's note.
3. U.S. NEWS AND WORLD REPORT, 13 March 1978, p 22.

#### Mass Social Protest Movement of the 1970's

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 79  
p 118

[Review by M. M. Petrovskaya of the book "Massovyye dvizheniya sotsial'nogo protesta v SShA (semidesyatytye gody)," Moscow, Nauka, 1978, 343 pages]

[Text] This monograph contains a comprehensive analysis of current mass movements in the United States. A considerable portion of the work is devoted to an examination of the role of the working class--the largest and most organized segment of the U.S. working public--in the struggle for social progress. The authors present a discerning analysis of bourgeois theories concerning the role and place of the working class in contemporary American society. A vast amount of factual material is used as a basis for demonstrating the actual state of class conflicts in America today, which totally refutes the far-fetched ideological schemes with which U.S. ruling circles have armed themselves.

The authors of the monograph discuss the changes that have taken place in the movement of the black Americans in the 1970's, analyze the basic features of the Chicano struggle and describe the new forms taken by the youth movement. A great deal of attention is given to the participation of women in the democratic struggle and the consumer protection movement.

The authors note that, in spite of the considerable successes achieved in the 1960's and the mass anti-war feelings that still exist, the movement entered a phase of diminished activity in the 1970's. This is due to objective conditions that have taken shape in American society in the last decade, as well as the status of other opposition democratic movements (p 202).

Nevertheless, the desire for peace expressed by the broadest segments of the American public, reinforced by the experience in Vietnam and the movement against militarism, as well as the positive changes that have taken place in the public mind during the period of detente, are establishing a sufficiently stable basis in public opinion for support for international detente and, in particular, the strategic arms limitation agreement, which is attested to by public opinion polls.

#### Disarmament and the Economy

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 79  
p 119

[Review by S. L. Harris of the book "Razoruzheniye i ekonomika" by R. A. Faramazyan, Moscow, Mysl', 1978, 224 pages]

[Text] The author of this monograph has set himself the task of not only demonstrating the losses incurred by the economies of the United States and other capitalist countries as a result of the arms race, but also of logically revealing the economic and social advantages of disarmament. A vast amount of statistical material and many examples of specific situations taking place in the U.S. economy under the influence of military spending are used by the author to demonstrate how this is reflected in a decline in capital investments, the escalation of inflationary processes, an increased deficit in the balance of payments and a rise in unemployment (pp 75-180).

The author is particularly concerned with the effects of the militarization of science on the American economy. In contrast to statements made by some bourgeois scientists who allege that research and experimental design in the sphere of military production stimulate economic development, the author concludes, on the basis of a cogent analysis of factual material, that military research and development, in the final analysis, not only fail to promote technical progress in the civilian sector, but even impede it (p 114).

In R. A. Faramazyan's monograph, in contrast to other Soviet works on this subject, the militarization of the economies of the leading capitalist countries is examined in conjunction with its possible and necessary alternative--disarmament. This approach allows the author to demonstrate more clearly not only the potential positive effect of disarmament on the U.S. economy but also its potential beneficial effects in the social sphere.

One of the most interesting sections of the work pertains to the problem of conversion--the redirection of the military sector of the economy into peaceful channels (pp 119-136, 153). It seems, however, that the conclusion in regard to the possibility of conversion under capitalist conditions would be more convincing if the author had referred to past experience in the conversion of enterprises in the military sector.

The work reflects the idea, although in the most general form, that the growth of militarism threatens democratic freedoms and is promoting stronger repressive actions against democratic elements in the bourgeois society (p 187). This issue, which is of particular interest now in connection with the notorious campaign launched in the West in "defense of human rights," deserves more complete and comprehensive analysis.

The author also examines the influence of constantly increasing military expenditures on the economies of the developing states, where the transfer of material and labor resources into fields feeding the arms race is even more ruinous than in the developed capitalist countries (p 189).

Paramazyan's study will be of great interest not only to Soviet readers but also to foreigners, who will gain a more comprehensive understanding of this issue from the book.

#### The American Revolution

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 79  
p 119

[Review by Yu. K. Krasnov of the book "Amerikanskaya revolyutsiya i obrazovaniye SShA" by A. A. Fursenko, Leningrad, Nauka, 1978, 415 pages]

[Text] This book is a historical survey of the revolutionary liberation struggle of England's North American colonies in the 1760's and 1770's, which resulted in the establishment of a bourgeois republic--the United States of America. Chronologically, the work pertains primarily to the years of 1763-1783. One of the main purposes of the monograph is to demonstrate how the democratic movement grew in size and strength with the development of the liberation movement and, later, during the course of the War of Independence. It shows how America won its independence as a result of the energy and heroism of the popular masses.

In particular, the author presents a discerning analysis of several theories set forth by American bourgeois historians who assert that the American Revolution had no "social goals" whatsoever (p 387).

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## AMERICAN BASES AND TROOPS ON FOREIGN TERRITORY

Moscow SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA in Russian No 6, Jun 79  
pp 120-127

[Article by V. A. Mazing]

[Text] At the end of 1978, there were 433,800 U.S. servicemen stationed overseas.<sup>1</sup> American troops can be found in more than 30 countries and are stationed on 2,200 military bases (225 of them large), as well as on U.S. naval ships. The main regions of strategic distribution are Western Europe, the Far East, Southeast Asia and Latin America.

Ever since the American troops were driven out of Vietnam, the largest group of U.S. overseas forces has been situated in Western Europe; moreover, the number of American troops in this region has constantly risen in recent years, in spite of the fact that the problem of reducing American military presence is one of the points on the agenda of the talks on the limitation of armed forces and arms in Central Europe. For example, in 1978 alone, the number of U.S. servicemen in Western Europe increased by 16,900 and now amounts to 330,000. In addition to U.S. soldiers and officers, more than 200,000 members of their families are also in Europe.<sup>2</sup>

The naval presence of the United States in Western Europe consists mainly of the 6th Fleet, based in the Mediterranean and composed of up to 50 ships of various types, including aircraft carriers and submarines, as well as around 200 naval aircraft. When tense situations arise, the 6th Fleet is supplemented by a special antisubmarine formation, consisting of destroyers and an aircraft carrier with antisubmarine defense planes and helicopters. The fleet can operate independently of naval bases and includes naval infantry units prepared to take part in landing operations. American atomic submarines patrol the Mediterranean and the part of the Atlantic Ocean close to the European coastline.

More than 7,000 pieces of so-called tactical nuclear ammunition, 2,500 tanks and 260 tactical aircraft belonging to the United States are also located in Europe.<sup>3</sup>

American air force troops in Europe are stationed in Great Britain, the FRG, Spain, Italy, Greece, Turkey, the Netherlands, Belgium and Iceland. This group of American armed forces consists of 77,000 servicemen. The U.S. Air Force in Europe is armed with the latest American aircraft--the F-4, F-15, F-111, RF-4S, S-130 and others. Ever since the two new wings consisting of F-15 and F-111 fighter planes were sent to West Germany and England, there have been 550 American fighters in Europe.<sup>4</sup>

The main group of American troops on the European continent (totaling 240,000 troops, 45,000 in the air force and 995,000 ground troops, most of them part of the 7th Army, which is stationed in West Germany) is located in the center of Europe, largely in the FRG, as well as in Belgium and the Netherlands.<sup>5</sup> These troops are part of the collective NATO forces created in June 1951. That same year, the members of this bloc signed an agreement on the status of soldiers, sailors and pilots from the NATO countries, which virtually granted U.S. armed forces the status of occupation troops in the West European states and extended extraterritorial powers to them.<sup>6</sup>

#### American Troops Overseas, in Thousands

Europe	330
FRG	234.3
Great Britain	22.3
Italy	12.1
Spain	8.8
Turkey	4.8
Greece	3.7
Iceland	2.8
Netherlands	2.2
Belgium	2.0
Portugal	1.4
Other countries	0.8
Sixth Fleet	34.8
Latin America	15.5
Panama Canal Zone	9.2
Puerto Rico	4.0
Guantanamo	2.3
Pacific and Far East	137.5
Japan	45.9
South Korea	41.6
Philippines	14.4
Guam	8.4
Australia	0.7
Other countries	0.6
Seventh Fleet	25.9



Other Regions	10.0
Bermuda	1.3
Diego Garcia	1.2
Canada	0.7
Saudi Arabia	0.4
Other territories	3.0
Naval troops in seas and oceans	3.4

Within the framework of the program for increasing NATO's military strength, the Carter Administration has recently taken steps to build up the American military presence in the center of the European continent. For example, the number of U.S. servicemen stationed in the FRG increased by 34,800 in 1977 and 1978. Besides this, regrouping operations and structural changes increased the combat potential of existing American troop formations here. According to reports, in the next few months the United States will transfer additional contingents to the FRG, which will be stationed in the north of the country (in 1978 the first brigade of the 1st U.S. Tank Division, consisting of 3,800 servicemen, was transferred to a new site of strategic distribution not far from Bremerhaven, in the north of the FRG).

There are considerable numbers of American servicemen in Great Britain. In all, there are more than 20 different U.S. bases in this country, where 22,000 individuals are stationed. Some of the United States' tactical aviation, most of it part of the 3d Army of the U.S. Air Force, is located on air force bases here. All large U.S. air force bases are located in the southeastern part of England--that is, in direct proximity to the European continent.

At the beginning of the 1980's, the new American TR-1 espionage plane, developed to replace the scandalously notorious U-2, will be sent to the British Isles. The new plane will be outfitted with the latest electronic equipment and devices to deaden flight noise, and has been designed to collect intelligence data in the regions of Warsaw Pact troop distribution.

The American air force bases in Great Britain are considered to be suitable for the deployment of various types of combat aircraft, including strategic fighter-bombers carrying nuclear weapons. The air bases have special facilities for the storage of these weapons.

Strategically, the most important American base in Great Britain is the naval base for atomic guided-missile submarines in Holy Loch. It is located close to Glasgow, the largest city in Scotland, in the northern part of the Firth of Clyde and is used by the United States in accordance with a bilateral American-English agreement of 1960. The 14th Squadron of Atomic Submarines of the U.S. Atlantic Fleet is based in Holy Loch. The monthly maintenance of this base costs the United States almost 300,000 dollars.

The United States has 26 bases and military facilities of various types in Turkey, including electronic tracking stations in Sinop on the Black Sea coast and Pirinccikoy (close to Diyarbakir), a seismographic station in Belbashi, close to the Turkish capital, a reconnaissance post in Karamursel in West Turkey, a navigation base in Kargaburun on the Sea of Marmara and a strategic air base in Injirlik in the nation's south. The activities of American military bases in Turkey, from which radioelectronic surveillance of neighboring countries is conducted, were curtailed in July 1975 by a decision of the Turkish Government in response to a law passed by the U.S. Congress which imposed an embargo on shipments of American weapons and military equipment to Turkey.

After the U.S. Congress lifted the embargo in the summer of 1978, the Turkish Government announced the resumption of the activities of some American bases for 1 year, beginning on 9 October 1978, on the basis of "provisional status." The future status of American military facilities in Turkey will be defined in the new American-Turkish agreement on cooperation in the area of joint defense, which is now being negotiated by Washington and Ankara.

The United States began to display particular interest in its military bases in Turkey after Tehran announced the closing of American reconnaissance facilities in Iran. Reports appeared in the press on plans for the transfer of American secret equipment from Iran to Turkey (Ankara, however, called these rumors groundless). On 28 March, the Turkish newspaper MILLIYET, reported that an agreement had been reached at the Turkish American talks on the transfer of the American naval base in Karamursel to Turkey in April-May of this year "for use as an educational facility." No decision was made regarding the base in Belbashi.

In April 1976, an agreement was concluded on military cooperation by Greece and the United States; it defined the future status of U.S. military bases on Greek territory. The United States retained the right to make use of these bases even after Greece's withdrawal from the NATO military organization in 1974. In exchange, Athens was promised American military aid for a total sum of 700 million dollars. As representatives of the largest opposition party, the Panhellenic Socialist Movement, announced in Parliament in December 1978, the Pentagon has around 40 military bases and facilities on Greek territory. These include electronic reconnaissance and guidance posts, missile bases in Central Macedonia, the U-2 reconnaissance aircraft base, 9 naval bases, military airfields and nuclear weapon storage facilities.

In Iceland, there is a large American military base in Keflavik, 50 kilometers west of the nation's capital. Aircraft carrying air warning and air control systems, intended for the collection of espionage reports, have taken off from this base since 1978 to patrol the borders of the socialist states.

In Spain, a nation which does not belong to NATO, the American military presence is substantiated by a Spanish-American agreement on cooperation signed in Madrid in January 1976. It replaced the 1953 agreement and envisages the United States' retention of three large air force bases and one naval base, as well as dozens of various military installations scattered throughout the country. The headquarters of the 16th Army of the U.S. Air Force is located in Spain. The largest tanker aircraft in Europe, the Boeing KS-135, are based in Torrejon. Despite Spanish opposition, they were actively used to create an air lift between the United States and Israel during the war in the Middle East in October 1973. In January 1979, Madrid did not allow American F-15 planes intended for Saudi Arabia to touch down at bases on Spanish territory during their flight from the United States to the Middle East. This episode attests to a definite crisis of faith in Spanish-American relations and Spain's negative attitude toward Washington's foreign policy actions in the Near and Middle East.

Two American military bases are located in the Canary Islands, which occupy an important strategic position near the northwestern coast of Africa, 2,000 kilometers away from the European continent.

In the Atlantic Ocean, the United States also has large air bases in Greenland and in the Azores Islands belonging to Portugal. The U.S. naval base in Greenland, located in Thule, is intended for the deployment of strategic bombers. The Lajes Air Force Base in the Azores Islands is situated on the major sea and air lanes from Europe to America and is used by the Pentagon as a transit point during the transfer of troops and military equipment from the United States to Western Europe. The territory of the base is completely under American jurisdiction, and the U.S. military police will not allow Portuguese administrators onto the base. The dimensions of its runways and the technical equipment on the base make it possible for strategic, tactical and military transport planes to land here.

A substantial contingent of American troops--around 140,000 soldiers and officers--is also located in the Far East and Southeast Asia. The United States has large military bases in Japan, South Korea and the Philippines. The most mobile American combat units, including Marines and tactical aviation subunits, equipped with the latest weapons, are stationed on these bases.

Around 200 American military facilities, where almost 46,000 American servicemen are stationed, are located in Japan. The Japanese-American "security treaty," concluded in 1951 and extended for an indefinite period of time in 1970, allowed the United States to build its own military bases on Japanese territory and to maintain its troops there. The Pentagon has turned the Japanese Islands into one of its major military beachheads in the Far East. For example, the entire island of Okinawa has essentially become a huge military base with air fields, training camps, firing ranges, warehouses, barracks and other military installations. It cost more than 2 billion dollars to construct these facilities.

American atomic guided-missile submarines periodically sail into Okinawa's naval bases and ports. More than 60 of the Pentagon's military bases and facilities are located on the island. Around 35,000 American soldiers and officers are quartered here. Exercises are constantly conducted here, involving American Marine, tank, artillery and aviation units. Okinawa is the site of the main Far Eastern base of "special-purpose" American troops, "psychological warfare" units and "Green Berets" subunits, which are used for diversionary terrorist operations and struggle against national liberation forces in Southeast Asia. Firing ranges and bases occupy 40 percent of the island's usable land. Moreover, whereas the Americans once paid almost the entire cost of maintaining the bases, now the Japanese side has considerably increased its share in the expense, allocating an additional 37 billion yen for this purpose. The transfer to the joint use of some of the largest military bases and facilities and those most costly to operate not only made it possible for the United States to assign a considerable portion of the expense to the Japanese side, but also broadened the Pentagon's opportunities for political pressure and manipulation. In recent years, the number of American troops on the island has also increased, particularly as a result of the transfer of American servicemen from Thailand and Taiwan to Okinawa.

The coastal waters of the island of Honshu have become the home of the ships of the U. S. 7th Fleet. The largest naval base here is Yokosuka, a port located in Tokyo Bay 60 kilometers southwest of the Japanese capital. Yokosuka is the main anchorage of the 7th Fleet in the West Pacific, the permanent base of one of the United States' attack aircraft carriers, and a center for the maintenance and repair of naval ships, including atomic submarines and the auxiliary ships of the U.S. Navy. American warships can also be found in Japan's Sasebo Naval Base (Kyushu), the repair capacities of which allow for the repair of virtually all vessels, including aircraft carriers. More than 40 large American weapon and ammunition depots are located in Yokosuka, Kure, Sasebo, Yokota, Iwakuni, Misawa and Kadena Air Base (Okinawa).

The United States still maintains considerable armed forces in South Korea--more than 41,000 individuals. Even during his campaign, J. Carter promised to take steps to withdraw American troops from South Korea, but now the basic premises of the American plan are quite clear. Essentially, there will be no significant reduction in military support for the Seoul regime. The Pentagon has no intention of substantially reducing the size of its 8th Field Army and nuclear missile potential, consisting of, according to American data, around 1,000 pieces of tactical nuclear ammunition. Moreover, the number of American troops in South Korea actually increased by 1,500 in 1978.

Although American experts have tried to blame this on the defects of the "rotation" program, the United States, judging by all indications, has no intention of completely renouncing the system for the deployment of its armed forces on South Korean territory. As President J. Carter announced, the "necessary quantity" of U.S. troops will remain in South Korea even



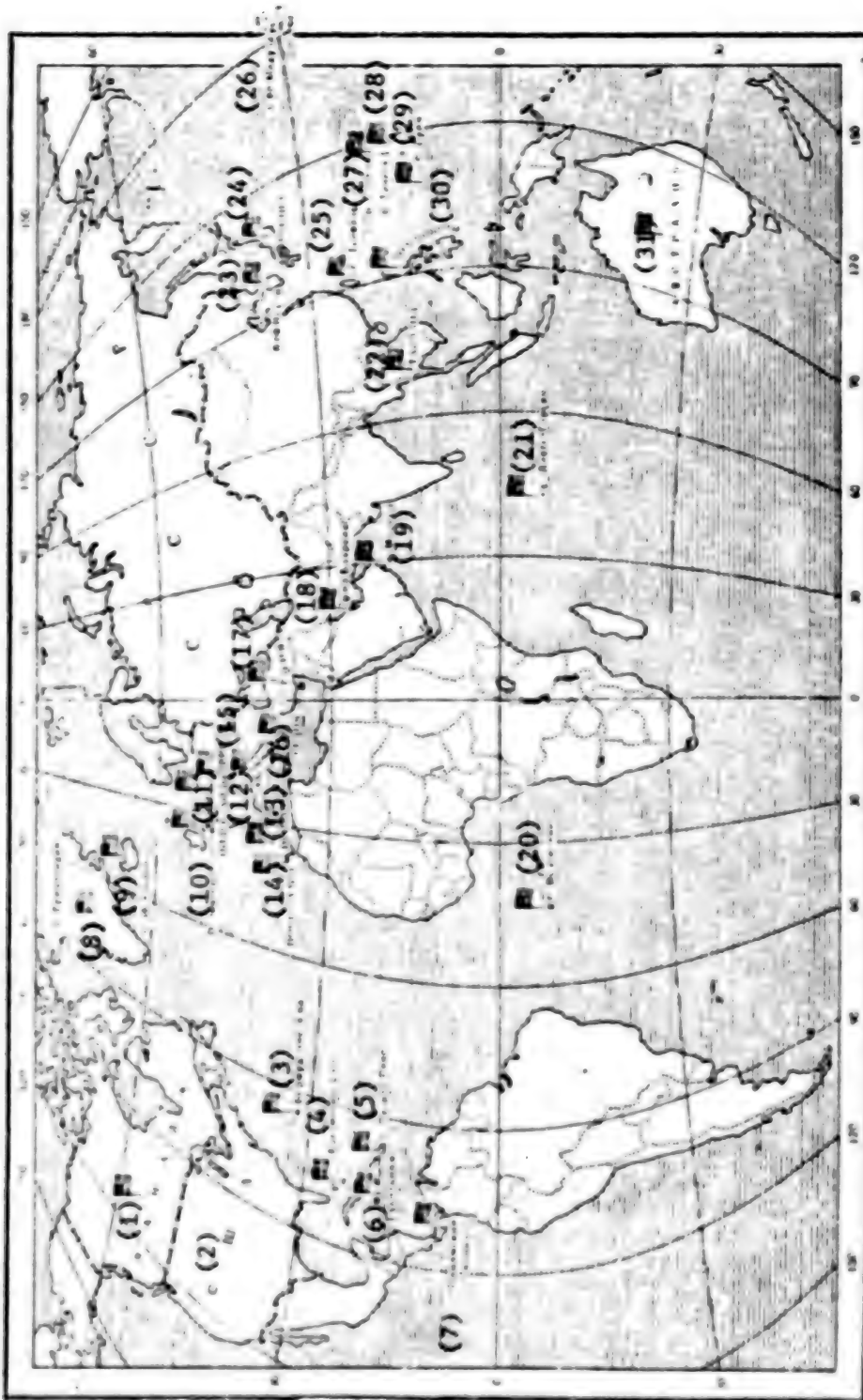
after the program for the withdrawal of American servicemen has been completely carried out. The United States also plans a sharp increase in military aid to the Seoul regime. For example, in November 1978, 12 F-4 planes were sent to South Korea as proof of the United States' continuing "involvement" in South Korean affairs.<sup>9</sup>

In recent years, there has been a sharp decline (down to 200 people) in the level of the American military presence in Thailand, where the number of American servicemen reached 48,000 during the years of U.S. aggression in Vietnam. The Pentagon was forced to reduce the number of its military personnel in this country under the pressure exerted by the government of Thailand, which demanded the complete withdrawal of American troops.

In the Philippines, the United States has two large bases--the Subic Bay Naval Base and the Clark Field Air Force Base--and several smaller military facilities. Subic Bay is the major base of the Seventh Fleet west of Pearl Harbor. If the United States did not have this base, it would cost it a great deal more to maintain naval forces in the West Pacific, the South China Sea and the Indian Ocean. "Repairs made in Japan cost four times as much as on the Subic Bay base, and they cost seven or eight times as much if they are made in the United States," reported the FAR EASTERN ECONOMIC REVIEW. Without this base, the 7th Fleet would need more fighting ships and support vessels. Subic Bay is also of particular importance because, along with the Cubi Point Naval Base, it services the aircraft carriers which constitute the basis of U.S. naval strength. More than 6,000 American servicemen are stationed in Subic Bay. This base is used as a port for the anchorage and maintenance of the U. S. 7th Fleet's ships and can support all naval air operations and repair all ships (more than 60 percent of all repair work for the 7th Fleet). The base provides the 7th Fleet with material and technical supplies, management and control, communications, military training and medical assistance. It has a large fuel depot and processes more than 1 million tons of cargo a year.

The Clark Field Air Force Base (Luzon), located close to Manila, capital of the Philippines, serves as a headquarters for the 13th Air Army of the United States. Almost 10,000 Americans live on this base. One squadron of S-130 planes and two squadrons of F-4 tactical aviation bombers are based here. Clark Field can process 3,500 tons of cargo a day as a material and technical supply base, it has a large satellite communications center and a station for high- and low-frequency communications. Reserve ammunition stocks are kept here. The base is intended to provide rear support for the operations of the American Air Force in Southeast Asia. It is also used as a transit point when American weapons and military equipment are shipped to the United States' Asian partners. At the time of the U.S. aggression in Southeast Asia, this base was one of the main supply points and technical maintenance centers for American aviation making raids on targets located in Vietnam.





Map Depicting Permanent Presence of U.S. Armed Forces Overseas

[Key on next page]

Key:

- |                   |                      |
|-------------------|----------------------|
| 1. Canada         | 17. Turkey           |
| 2. United States  | 18. Bahrein Islands  |
| 3. Bermudas       | 19. Masira           |
| 4. Bahamas        | 20. Ascension Island |
| 5. Puerto Rico    | 21. Diego Garcia     |
| 6. Guantanamo     | 22. Thailand         |
| 7. Panama Canal   | 23. Korean Peninsula |
| 8. Greenland      | 24. Japan            |
| 9. Iceland        | 25. Taiwan           |
| 10. Great Britain | 26. Midway Islands   |
| 11. Netherlands   | 27. Saipan           |
| 12. Italy         | 28. Tinian           |
| 13. Spain         | 29. Guam             |
| 14. Portugal      | 30. Philippines      |
| 15. FRG           | 31. Australia        |
| 16. Greece        |                      |

In 1972, the Philippine Government requested the United States to revise the agreement on American bases signed in 1947, when Washington had been able to unequivocally dictate its demands from a "position of strength." The American-Philippine talks went on for 3 years and came to an end in January 1979. The two sides agreed to make several changes in existing conventions, which, in particular, envisaged a slight reduction of the territory of American bases and some expansion of Philippine jurisdiction over them. However, the United States has actually retained control over all military operations conducted from these bases.<sup>10</sup>

The United States has deployed 3,200 pieces of tactical nuclear equipment in the Far East and on the ships of the Pacific Fleet.<sup>11</sup> Ships of the 7th Fleet, which include 2 aircraft carriers and up to 20 surface ships of various types, are always present in the West Pacific. The personnel of the U. S. 7th Fleet (including a Marine battalion based on landing vessels and prepared to disembark in the event of a "crisis situation") number around 26,000.<sup>12</sup>

American military personnel are also stationed on the Mariana Islands, which occupy a convenient strategic position in the Pacific and which were declared a "free commonwealth of the United States" in January 1978. While formally granting the Mariana Islands internal autonomy, Washington retains the right to make all major decisions, including, for example, the preservation of military bases on this territory for another 50 years. Large American air force and naval bases are located on the island of Guam, the largest in the group of Mariana Islands. The Pentagon also has a network of military bases on other islands of the Northern Marianas, particularly Tinian, Saipan and Farallon de Medinilla. Plans call for the modernization and enlargement of existing bases and the construction of new military facilities in this region. An air force and naval base will be established in Tanapag Bay on the island of Saipan for aircraft carriers and submarines of the U.S. Navy. The deployment of the military base on Tinian is planned for 1982, after which up to 3,000 American servicemen will be permanently

stationed on the island, not counting civilian specialists. The base will become the site for the disposition of strategic bombers and warships of the 7th Fleet.

Among the islands of Micronesia, the Palau Archipelago is of particular importance to the United States. Located in direct proximity to the Philippines and Indonesia, these islands are situated east of the sea lane used by oil supertankers sailing from the Persian Gulf to Japan. The Pentagon intends to fill 30,000 acres of Palau territory with military installations, including a firing range, a naval base, an air field, a huge fuel depot and oil refineries. The United States is also maintaining its military presence on other islands in Micronesia. In addition to the large base on Kwajalein in the Marshall Islands, where the personnel staff numbers 5,000, American coast guard stations are located on the islands of Eniwetok, Antaur, Yap and Aibeje.

The number of American servicemen stationed on Diego Garcia is still rising. This island, the largest in the Chagos Archipelago, occupies a convenient strategic position almost in the very center of the Indian Ocean. For several years, around 1,000 civilian and military specialists have been working to deepen the port so that it will be able to accommodate nuclear submarines, aircraft carriers and escort ships. The lengthening of the air field runway to 4 kilometers will make this field accessible to B-52 strategic bombers, F-111 fighter-bombers and other long-range aircraft. Reconnaissance planes and antisubmarine aircraft with a range of up to 3,700 kilometers are already permanently based on the island. Diego Garcia is also regarded by U.S. military and political leaders as a reliable support point for the exertion of constant pressure on India, Indonesia, Bangladesh and other countries in this region.

Ever since the revolutionary events in Iran, the significance of American troops located in the Persian Gulf region has increased dramatically. The United States uses a naval base in the State of Bahrain, where American servicemen are permanently stationed and three of the American Navy guided-missile destroyers are based.<sup>13</sup>

During U.S. Secretary of Defense H. Brown's visit to the Middle East in February 1979, the United States tried to obtain Saudi Arabia's consent to the construction of a military base on its territory. Although the Saudi Government rejected this plan, the United States has not ceased its attempts to establish new bases in the countries of the Near and Middle East. According to the Western press, Washington is considering the possibility of establishing an American air force base on the Sinai peninsula and a naval base in the Israeli port of Haifa.

In November 1978, four military ships of the 7th Fleet were located in the Arabian Sea. According to the NEW YORK TIMES, these ships could serve as the future "nucleus" of broader--in comparison to the present--American naval presence in this region.

Around 15,500 U.S. soldiers and officers are stationed in the Latin American countries.<sup>14</sup> Most of them are concentrated in the Caribbean basin, where the most important bases are located in the Panama Canal Zone (14 bases), in Puerto Rico (including a strategic aviation base) and on the islands of St. David and Trinidad. The personnel of the Guantanamo military base on Cuban territory number around 2,500. The United States gained control over this territory in 1903 by imposing an extremely unfair rental agreement on the Cuban Government of that time. Socialist Cuba does not recognize the legality of the presence of American troops on the island and has demanded their evacuation.

American bases are located on the islands of Turks and Caicos--British colonial possessions in the Caribbean Sea--in the Bahamas and Bermudas and on Antigua.

Around 20 American military bases and many military air fields and missile-launching sites are located in Northeastern Brazil. American military facilities are also located in the southern part of the Atlantic: an air force base in Chamical (Argentina), a missile base in Mariscal-Estigarrita (Paraguay) and radar stations in Uruguay and Colombia.

Contingents of American troops are also stationed in Canada, Australia and other states. The Northwest Cape base, for example, is located in Australia. After the work of re-equipping this American base has been completed, Northwest Cape should become part of a new system of global support for American military satellites. Modernization programs are also being carried out on other American military bases in Australia.

Therefore, the facts testify that although the development of the process of international detente has had a definite effect on the forms and methods of U.S. foreign policy, it has not actually made any fundamental change in U.S. "base strategy." During the entire postwar period, the purpose of this strategy has consisted in the establishment of military bases and support points on foreign territory, intended to serve as bridgeheads in military confrontations with socialism and as an instrument of pressure. Today, the American troops and bases outside U.S. territory are still one of the throw-backs to the cold war.

The augmentation of the American military presence abroad, particularly in Western Europe, the construction of new military bases and facilities and the modernization and enlargement of existing ones constitute a serious threat to the cause of peace and contradict both the spirit of the policy of detente and the desire of many independent states to conduct their own foreign and domestic policies.

#### FOOTNOTES

1. U.S. NEWS AND WORLD REPORT, 25 December 1978/1 January 1979, p 44.

2. Ibid., p 45.
3. "The Military Balance, 1976-1977," London, 1976, p 104.
4. "The Military Balance, 1978-1979," p 8; INTERNATIONAL HERALD TRIBUNE, 28 October 1976.
5. AIR FORCE MAGAZINE, December 1977, p 126.
6. The agreement on the status of NATO armed forces went into effect in 1953 after it had been ratified by all states belonging to this bloc.
7. U.S. NEWS AND WORLD REPORT, 25 December 1978/1 January 1979, pp 44, 45.
8. For a more detailed discussion, see SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 5, 1976, pp 83-88--Editor's note.
9. U.S. NEWS AND WORLD REPORT, 25 December 1978/1 January 1979, p 44.
10. SSHA: EKONOMIKA, POLITIKA, IDEOLOGIYA, No 4, 1979, pp 67-72--Editor's note.
11. CONGRESSIONAL RECORD, 7 March 1975, p S3450.
12. U.S. NEWS AND WORLD REPORT, 25 December 1978/1 January 1979, p 45.
13. Ibid., 27 December 1976/3 January 1977, p 37.
14. Ibid., 25 December 1978/1 January 1979, p 45.

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